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LEGISLATIVE HISTORY

Public Law 158 -- 82nd Congress

Chapter 445 -- 1st Session

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DIGEST OF PUBLIC LAW 158

AN ACT: To increase the lending authority of Export-Import Bank of Washington and to extend the period within which the bank may make loans.

INDEX AND SUMMARY OF S. 2006

August 15, 1951	Senator Maybank introduced S. 2006 which was referred to the Committee on Banking and Currency.
	Remarks of Author
August 28, 1951	Hearings: Senate on S. 2006
August 29, 1951	S. 2006 reported without amendment. S. Report No. 722. Print of bill as reported.
September 7, 1951	Passed Senate without amendment.
September 12, 1951	S. 2006 referred to House Committee on Banking and Currency.
September 19, 1951	S. 2006 reported by House Committee on Banking and Currency without amendment. House Report 978. Print of bill as reported.
September 25, 1951	House passed S. 2006 without amendment
September 27, 1951	Representative Rankin's remarks opposing this bill.
October 3, 1951	Approved: Public Law 158

82D CONGRESS
1ST SESSION

S. 2006

IN THE SENATE OF THE UNITED STATES

AUGUST 15 (legislative day, AUGUST 1), 1951

Mr. MAYBANK introduced the following bill; which was read twice and referred to the Committee on Banking and Currency

A BILL

To increase the lending authority of Export-Import Bank of Washington and to extend the period within which the bank may make loans.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That the Export-Import Bank Act of 1945, as amended (59
4 Stat. 526, 666; 61 Stat. 130), is hereby amended in the
5 following particulars:

6 (a) By deleting from section 6 the words "two and
7 one-half" and substituting in lieu thereof the words "three
8 and one-half"; and

9 (b) By deleting from section 7 the words "three and

1 one-half" and substituting in lieu thereof the words "four and
2 one-half"; and

3 (c) By deleting from section 8 the date "June 30,
4 1953" and substituting in lieu thereof the date "June 30,
5 1958".

82ND CONGRESS
1ST SESSION

S. 2006

A BILL

To increase the lending authority of Export-
Import Bank of Washington and to extend
the period within which the bank may make
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By Mr. MAYBANK

August 15 (legislative day, August 1), 1951
Read twice and referred to the Committee on
Banking and Currency



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 82^d CONGRESS, FIRST SESSION

Vol. 97

WASHINGTON, WEDNESDAY, AUGUST 15, 1951

No. 150

Senate

(Legislative day of Wednesday, August 1, 1951)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. F. Norman Van Brunt, associate pastor, Foundry Methodist Church, Washington, D. C., offered the following prayer:

Our Father God, as morning rises to noontide, we pause in the heat and burden of the day for this moment of refreshment when we stand before Thee. May we find power to confirm our faith, to renew our hope, and to increase our love. Keep our souls alive with vision, our minds alert with wisdom, and our hearts aglow with goodness.

May the precious hours of this passing day be filled with intensity of living that, as evening comes, we may look back with the benediction of accomplishment upon us, knowing that we have done what we could. Amen.

THE JOURNAL

On request of Mr. McFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, August 14, 1951, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 2771) for the relief of Lon Weaver.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 745) for the relief of Thomas A. Trulove, postmaster, and Nolen J. Salyards, assistant postmaster, at Inglewood, Calif.; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BYRNE of New York, Mr. ROBINO, and Mr. KEATING were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 2745. An act to amend section 2801 (c) (1) of the Internal Revenue Code; and H. R. 4914. An act to authorize certain construction at military and naval installations, and for other purposes.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 140) expressing indignation at the arrest and conviction of Associated Press Correspondent William N. Oatis by the Czechoslovak Government, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H. R. 2771) for the relief of Lon Weaver, and it was signed by the President pro tempore.

STATEMENT BY SENATOR WHERRY OF HIS POSITION ON DOUGLAS AMENDMENT AND FERGUSON MOTION TO RECOMMIT

Mr. WHERRY. Mr. President, yesterday I was absent on official business. I ask unanimous consent to have the permanent Record show that if I had been present and voting I would have voted "yea" on the amendment offered by the Senator from Illinois [Mr. DOUGLAS] to the committee amendment on page 6, line 3, the vote on which is shown on page 10151 of the Record. Also I ask unanimous consent that the permanent Record show that if I had been present and voting I would have voted "yea" on the motion to recommit, the vote on which is set forth on page 10154 of the Record.

The PRESIDENT pro tempore. Without objection, it is so ordered.

NOTICE OF CONSIDERATION OF CONFERENCE REPORT ON INDEPENDENT OFFICES APPROPRIATION BILL

Mr. MAYBANK. Mr. President, I wish to state for the Record that the conferees on the independent offices appropriation bill have agreed to the conference report, and the House has adopted the conference report by a vote of 290 to 80. As I understand, the conference report is now at the desk in the Senate.

Several Senators have asked me to let them know before the conference report is brought up, because there was considerable discussion about the Maritime Commission and other matters about which the conferees have agreed.

Realizing that the conference report is a privileged matter, I wish to state now that I desire to have the report considered the first thing in the session tomorrow. I give this notice at this time in order that all Senators who are interested may be present at that time.

TRANSACTION OF ROUTINE BUSINESS

Mr. McFARLAND. Mr. President, I ask unanimous consent that Senators may be permitted to make insertions in the Record and transact other routine business, without debate.

The PRESIDENT pro tempore. Without objection, it is so ordered.

WILLIAM N. OATIS—RESOLUTION OF GEORGIA PRESS ASSOCIATION

Mr. RUSSELL. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the Record, a resolution adopted by the Georgia Press Association, relating to the arrest and conviction of William N. Oatis.

There being no objection, the resolution was referred to the Committee on Foreign Relations and ordered to be printed in the Record, as follows:

Whereas the imprisonment of William N. Oatis, American, Associated Press correspondent, by the Czechoslovak Government is another evidence of the attack on the freedom of the press and information by the Communists of the world; and

Whereas the rights violated in the case of Mr. Oatis should be cherished possessions of men throughout the world and free government and freemen should rally to support these rights whenever and wherever attacked; and

Whereas the violation of these rights in the Oatis matter is especially wanton and reprehensible, the courts which should represent justice having been turned into the tools of dictatorship, outraging the sensibilities of all decent thinking people: Therefore be it

Resolved, That the Georgia Press Association in convention assembled denounces this perversion of law and transgression against the freedom of an American citizen, and calls upon the Government of the United States to take every possible step to make its righteous wrath against the Czechoslovak regime effectively felt to the end that the injustice against Mr. Oatis be rectified and the cause of freedom everywhere sustained.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HILL, from the Committee on Labor and Public Welfare:

S. 703. A bill to provide that, in the determination of the amount which certain local educational agencies are entitled to receive for school construction purposes, no reduction in such amount shall be made for prior construction under the WPA, PWA, and NYA programs; without amendment (Rept. No. 640); and

S. 1271. A bill to permit employees of the Canal Zone government and the Panama Canal Company to appeal decisions under the Federal Employees' Compensation Act to the Employees' Compensation Appeals Board; without amendment (Rept. No. 641).

By Mr. HILL (for Mr. MURRAY), from the Committee on Labor and Public Welfare:

H. R. 319. A bill to amend title III of the Servicemen's Readjustment Act of 1944, as amended, by providing for treble damage actions; without amendment (Rept. No. 642); and

S. Res. 124. Resolution interpreting the provisions of Public Law 610, Eighty-first Congress, relating to charges of educational institutions for the training of veterans; without amendment (Rept. No. 643).

By Mr. MAYBANK, from the Committee on Banking and Currency;

H. R. 3176. A bill to amend the act entitled "An act to authorize the coinage of 50-cent pieces to commemorate the life and perpetuate the ideals and teachings of Booker T. Washington," approved August 7, 1946; without amendment (Rept. No. 645).

INFLATION STILL A DANGER—NATIONAL DEFENSE AND ECONOMIC OUTLOOK—REPORT OF A COMMITTEE (S. REPT. NO. 644)

Mr. O'MAHONEY, from the Joint Committee on the Economic Report, submitted a report entitled "Inflation Still a Danger," together with materials on the national defense and the economic outlook, which was ordered to be printed with illustrations.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, August 15, 1951, he presented to the President of the United States the enrolled bill (S. 684) to amend the Bankhead-Jones Farm Tenant Act so as to provide a more effective distribution of mortgage loans insured under title I, to give holders of such mortgage loans preference in the refinancing of loans on a noninsured basis, to adjust the loan limitations governing title II loans so as to provide more effective assistance to production and subsistence loan borrowers, and for other purposes.

KENNETH G. HEISLER, TO BE MEMBER OF HOME LOAN BANK BOARD—EXECUTIVE REPORT OF A COMMITTEE

Mr. FREAR, Mr. President, as in executive session, from the Committee on Banking and Currency, I report favorably the nomination of Kenneth G. Heisler, of Washington, to be a member of the Home Loan Bank Board, and I ask unanimous consent that a letter addressed to me as chairman of the Securities, Insurance, and Banking Subcommittee of the Committee on Banking and Currency, from Kenneth G. Heisler,

General Counsel of the Home Loan Bank Board, Washington, D. C., be printed in the RECORD.

The PRESIDENT pro tempore. As in executive session, the report will be received and placed upon the Executive Calendar, and, without objection, the letter will be printed in the RECORD.

The letter is as follows:

HOME LOAN BANK BOARD,
HOUSING AND HOME FINANCE AGENCY,
Washington, D. C., August 15, 1951.
The Honorable J. ALLEN FREAR, Jr.,
Chairman, Securities, Insurance, and
Banking Subcommittee of Committee
on Banking and Currency, United
States Senate, Washington, D. C.

MY DEAR SENATOR FREAR: The question has been asked me whether, if confirmed as a member of the Home Loan Bank Board, I should disqualify myself from participating in any hearings and decisions of that Board involving the Long Beach Federal Savings & Loan Association and the consolidation of the two west coast banks.

As I have previously said, I do not consider that I have any bias or prejudice on these questions and I do not consider that the fact that I was a member of the legal staff at the time of the consolidation of the two west coast banks and General Counsel at the time of administrative action in connection with the Long Beach Federal Savings & Loan Association should prevent my taking part in administrative decisions on these matters.

However, to avoid any possible question or any feeling of a lack of complete fairness by the Home Loan Bank Board in these matters I have concluded not to participate after becoming a member of the Board in any administrative hearings or decisions involving issues before it with reference to the Long Beach Federal Savings & Loan Association or the reestablishment of the west coast banks.

Sincerely yours,

KENNETH G. HEISLER.

BILLS INTRODUCED

Bills were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. DWORSHAK:

S. 2004. A bill for the relief of Mr. and Mrs. David H. Perkins; to the Committee on the Judiciary.

By Mr. DOUGLAS:

S. 2005. A bill for the relief of Harriet F. Bradshaw; to the Committee on the Judiciary.

By Mr. MAYBANK:

S. 2006. A bill to increase the lending authority of the Export-Import Bank of Washington and to extend the period within which the Bank may make loans; to the Committee on Banking and Currency.

(See the remarks of Mr. MAYBANK when he introduced the above bill, which appear under a separate heading.)

By Mr. MOODY:

S. 2007. A bill for the relief of Sharon A. Gates; to the Committee on the Judiciary.

By Mr. JOHNSTON of South Carolina:

S. 2008. A bill to permit payment of certain cost-of-living allowances outside the continental United States at rates in excess of 25 percent of the rate of basic compensation; to the Committee on Post Office and Civil Service.

By Mr. LODGE (by request):

S. 2009. A bill for the relief of Ceslovas Daukantas and his family; to the Committee on the Judiciary.

By Mr. MOODY:

S. 2010. A bill to provide readjustment allowance for certain unemployed former

members of the Armed Forces who served in the active military, naval, or air service on or after June 27, 1950, and for other purposes; to the Committee on Labor and Public Welfare.

INCREASE IN LENDING AUTHORITY OF EXPORT-IMPORT BANK OF WASHINGTON

Mr. MAYBANK. Mr. President, pursuant to a vote of the Committee on Banking and Currency, I introduce for appropriate reference a bill to increase the lending authority of the Export-Import Bank of Washington and to extend the period in which the bank may make loans. In short, the effect of the bill would be to increase the Bank's borrowing power by \$1,000,000,000 and extend its life for 5 years from June 30, 1953, to June 30, 1958.

I am introducing this bill as chairman of the committee in order that hearings may be held upon its contents.

Assuming that the Banking and Currency Committee will handle the matter, I will refer the bill to its Subcommittee on Economic Stabilization, of which the able senior Senator from Illinois [Mr. DOUGLAS] is chairman.

The bill (S. 2006) to increase the lending authority of Export-Import Bank of Washington and to extend the period within which the Bank may make loans, introduced by Mr. MAYBANK, was read twice by its title, and referred to the Committee on Banking and Currency.

DEPARTMENT OF DEFENSE APPROPRIATIONS—AMENDMENT

Mr. MAYBANK. Mr. President, I submit an amendment intended to be proposed by me to the bill (H. R. 5054) making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the Department of Defense for the fiscal year ending June 30, 1952, and for other purposes.

The testimony before the Committee on Appropriations shows it is necessary to build a larger Air Force. Members of the Senate and of the House have also so stated. I am asking that the amendment requesting an authorization for an additional \$5,000,000,000 be referred to the Appropriations Committee and that it be placed in the bill so that a sufficient number of planes can be built to make at least the 95-group Air Force which has been authorized. We talk about an even larger Air Force, and yet we have not appropriated enough money for the 95 groups. If we are going to go on record for a larger Air Force we must put up the money. Even now it will be 20 months before the planes can be delivered. If the amendment is adopted employees in aircraft factories can work in three shifts and thereby speed up this production schedule. It is not a question of increasing the appropriation; it is a question of additional contract authorization to speed deliveries.

The PRESIDENT pro tempore. The amendment will be received, printed, and referred to the Committee on Appropriations.

INCREASING THE LENDING AUTHORITY OF EXPORT-
IMPORT BANK OF WASHINGTON AND TO EXTEND THE
PERIOD WITHIN WHICH THE BANK MAY MAKE LOANS

AUGUST 29 (legislative day, AUGUST 27), 1951.—Ordered to be printed

Mr. MAYBANK, from the Committee on Banking and Currency,
submitted the following

R E P O R T

[To accompany S. 2006]

The Committee on Banking and Currency, to whom was referred the bill (S. 2006) to increase the lending authority of Export-Import Bank of Washington and to extend the period within which the bank may make loans, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

GENERAL STATEMENT

The legislation provides for an amendment to the Export-Import Bank Act of 1945, as amended, increasing the lending authority of the Export-Import Bank of Washington by \$1,000,000,000 and extending the period within which the bank shall continue to exercise its functions for 5 years beyond June 30, 1953.

As indicated in the message of the President of the United States, transmitting to Congress the recommendation which is embodied in S. 2006, the primary purpose of the requested increase in authority is to place the bank in a position to make full use of opportunities in connection with its efforts to assist the economic progress of friendly nations and for the development of strategic materials.

Mr. Herbert E. Gaston, Chairman of the Board of Directors of the Export-Import Bank, testified before the committee as to the necessity for the bank's lending authority being increased to enable the bank to play the important role entrusted to it in serving the economic interests of the United States. Mr. John Snyder, Secretary of the Treasury, Mr. Charles Sawyer, Secretary of Commerce, Mr. Dean Acheson, Secretary of State, Mr. W. McChesney Martin, Jr., Chairman of the

Federal Reserve Board, and Mr. William Foster, Economic Cooperation Administrator, all of whom, together with Mr. Gaston, constitute the membership of the National Advisory Council on International and Financial Problems, as well as Mr. Charles Brannan, Secretary of Agriculture, sent the committee letters supporting the bill.

The existing resources of the Export-Import Bank do not permit it to undertake any significant amount of additional financing. At present approximately \$500,000,000 of its existing lending authority remains uncommitted. With loans outstanding or committed in the amount of approximately \$3,000,000,000 prudent management requires that the bank retain available and uncommitted an amount sufficient to meet emergency situations in which the United States has a vital interest.

In utilizing the requested additional lending authority, the bank contemplates no departure from the criteria which it now applies in the consideration of loan applications. Loans will be made, as at present, to assist in financing well-planned development projects which are economically justified and which will contribute to the economic development of the borrowing countries. They will be used to finance the sales of American merchandise, not only manufactured merchandise embodying the skilled labor of many American engineers, designers, and mechanics, but also agricultural commodities such as cotton and wheat. Even more important currently and in the immediate future will be loans for the development and production abroad of materials essential to our national security. In this type of loans, the bank is cooperating and will continue to cooperate with the other agencies of the Government charged with the responsibility of procuring essential materials.

The foregoing considerations, and not the amount of the increase in lending authority, will determine what amount of loans are made by the bank. These funds are not appropriated funds which are spent by virtue of their being voted by the Congress. They are funds which may be utilized by the bank through borrowing from the United States Treasury to the extent that the Board of Directors of the bank determines that they are needed for the purpose of making loans which offer reasonable assurance of repayment and which otherwise meet the requirements of the Export-Import Bank Act of 1945, as amended.

The present expiration date of the lending authority of the bank, June 30, 1953, is unduly restrictive in view of the necessity for continuity in the authority of the bank to perform its role in the efforts of the United States to assist the economic progress of friendly countries. It therefore appears necessary to extend the period within which the bank may continue to exercise its functions, and an extension of 5 years appears reasonable and desirable.

Total commitments since the bank was created exceed \$5,000,000,000 and total commitments now on the bank's books exceed \$3,000,000,000. Yet, there never have been any substantial losses. The ratio of recorded losses to funds actually put out by the bank is at the present time less than one one-hundredth of 1 percent. Your committee is of the opinion that the management of the bank has proven its ability to utilize the funds of the bank in a responsible manner and that the requested increase in funds of the bank available for lending, and the requested extension of time within which loans may be made, are warranted and desirable.

EXPLANATION OF THE BILL

Section (a) of the bill amends section 6 of the Export-Import Bank Act of 1945, as amended, by increasing the amount that the bank may borrow from the Treasury from two and one-half times the capital stock of the bank to three and one-half times the capital stock.

Section (b) of the bill amends section 7 of the Export-Import Bank Act of 1945, as amended, by increasing the amount that the bank may have outstanding at any one time on loans and guaranties from three and one-half times the capital stock of the bank to four and one-half times the amount of the capital stock.

Since the authorized capital stock of the bank is \$1,000,000,000, the effect of the bill is to authorize the bank to borrow up to \$3,500,000,000 from the Treasury as against the presently authorized amount of \$2,500,000,000 and to lend up to \$4,500,000,000 as against the presently authorized amount of \$3,500,000,000.

Section (c) of the bill amends section 8 of the Export-Import Bank Act of 1945, as amended, by extending from June 30, 1953, to June 30, 1958, the date to which the bank shall continue to exercise its functions, and the effect of the bill is thus to provide an extension of 5 years in the life of the bank.

No further changes in the Export-Import Bank Act of 1945 are provided for in the bill.

CHANGES IN EXISTING LAW IN COMPLIANCE WITH THE CORDON RULE

In compliance with subsection (4) of the rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

SECTION 6 OF THE EXPORT-IMPORT BANK ACT OF 1945, AS AMENDED (59 STAT. 526, 666; 61 STAT. 130; 12 U. S. C. 635D)

The Export-Import Bank of Washington is authorized to issue from time to time for purchase by the Secretary of the Treasury its notes, debentures, bonds, or other obligations; but the aggregate amount of such obligations outstanding at any one time shall not exceed [two and one-half] *three and one-half* times the authorized capital stock of the bank. Such obligations shall be redeemable at the option of the bank before maturity in such manner as may be stipulated in such obligations and shall have such maturity as may be determined by the Board of Directors of the bank with the approval of the Secretary of the Treasury. Each such obligation shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the obligation of the bank. The Secretary of the Treasury is authorized and directed to purchase any obligations of the bank issued hereunder and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds of any securities issued after July 31, 1945, under sections 745, 747, 752-754, 757, 757b, 757c, 758, 760, 764-766, 769, 771, 773, 774 (2), and 801 of this title, and the purposes for which securities may be issued under such sections are extended to include such purpose. Payment under this section of the purchase price of such obligations of the bank and repayments thereof by the bank shall be treated as public-debt transactions of the United States.

4 INCREASE THE LENDING AUTHORITY OF EXPORT-IMPORT BANK

SECTION 7 OF THE EXPORT-IMPORT BANK ACT OF 1945, CITED ABOVE (12 U. S. C. 635E)

The Export-Import Bank of Washington shall not have outstanding at any one time loans and guaranties in an aggregate amount in excess of [three and one-half] *four and one-half* times the authorized capital stock of the Bank.

SECTION 8 OF THE EXPORT-IMPORT BANK ACT OF 1945, AS AMENDED, CITED ABOVE (12 U. S. C. 635F)

Export-Import Bank of Washington shall continue to exercise its functions in connection with and in furtherance of its objects and purposes until the close of business on [June 30, 1953] *June 30, 1958*, but the provisions of this section shall not be construed as preventing the bank from acquiring obligations prior to such date which mature subsequent to such date or from assuming prior to such date liability as guarantor, endorser, or acceptor of obligations which mature subsequent to such date or from issuing, either prior or subsequent to such date, for purchase by the Secretary of the Treasury, its notes, debentures, bonds, or other obligations which mature subsequent to such date or from continuing as a corporate agency of the United States and exercising any of its functions subsequent to such date for purposes of orderly liquidation, including the administration of its assets and the collection of any obligations held by the bank.



Calendar No. 682

82^D CONGRESS
1ST SESSION

S. 2006

[Report No. 722]

IN THE SENATE OF THE UNITED STATES

AUGUST 15 (legislative day, AUGUST 1), 1951

Mr. MAYBANK introduced the following bill; which was read twice and referred to the Committee on Banking and Currency

AUGUST 29 (legislative day, AUGUST 27), 1951

Reported by Mr. MAYBANK, without amendment

A BILL

To increase the lending authority of Export-Import Bank of Washington and to extend the period within which the bank may make loans.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That the Export-Import Bank Act of 1945, as amended (59
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6 (a) By deleting from section 6 the words "two and
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Calendar No. 682

82d CONGRESS
 1st Session

S. 2006

[Report No. 722]

A BILL

To increase the lending authority of Export-
 Import Bank of Washington and to extend
 the period within which the bank may make
 loans.

By Mr. MAYBANK

AUGUST 15 (legislative day, AUGUST 1), 1951
 Read twice and referred to the Committee on
 Banking and Currency

AUGUST 29 (legislative day, AUGUST 27), 1951
 Reported without amendment

Daily Digest

HIGHLIGHTS

Senate debated bill on mutual security.

Senate committees voted to report bills on Export-Import Bank, Canadian registry vessels, and transportation policy, and acted on amendments to tax bill.

Senate

Chamber Action

Routine Proceedings, pages 10967-10970

Bills Introduced: Four bills and two resolutions were introduced, as follows: S. 2071 to S. 2074; and S. J. Res. 97 and S. J. Res. 98.

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Bills Reported: Reports were made as follows:

H. R. 3436, authorizing vessels of Canadian registry to transport grain between U. S. ports on the Great Lakes during 1951 (S. Rept. 720);

S. 1899, to define further the national transportation policy, with amendment (S. Rept. 721); and

S. 2006, to increase the lending authority of Export-Import Bank of Washington and to extend the period within which the bank may make loans (S. Rept. 722).

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Mutual Security: Senate debated H. R. 5113, to maintain the security and promote the foreign policy and provide for the welfare of the U. S. by furnishing assistance to friendly nations in the interest of international peace and security.

Pages 10970-10978, 10999-11003, 11005

Program for Thursday: Senate recessed at 6:31 p. m. until noon Thursday, August 30, when it will continue on H. R. 5113, mutual security.

Committee Meetings

(Committees not listed did not meet)

APPROPRIATIONS—SUPPLEMENTAL

Committee on Appropriations: In executive session, committee received testimony from Francis Shackelford, counselor for the Army, Karl R. Bendetsen, Assistant Secretary of the Army, and Brig. Gen. A. L. Hamblen, and associates, in justification of supplemental estimates for Government and Relief in Occupied Areas, in connection with the committee's study of H. R. 5215, supplemental appropriations for fiscal year ending June 30, 1952. Committee continues tomorrow.

MILITARY AND NAVAL CONSTRUCTION

Committee on Armed Services: Continuing in executive session, committee received further testimony in support of the enactment of H. R. 4914, to authorize certain construction at military and naval installations, from Thomas K. Finletter, Secretary of Air Force; John A. McCone, Under Secretary of Air Force; Maj. Gen. Patrick W. Timberlake; and Col. Harold R. Maddox, Brig. Gen. Ralph O. Brownfield, and Brig. Gen. Colby M. Myers, all of the Air Force. Committee continues tomorrow.

COTTON

Committee on Armed Services: Task force of the Preparedness Subcommittee continued its hearings on a comprehensive study of the question of stockpiling cotton, with John D. Small, Chairman, Munitions Board; John C. Houston, Vice Chairman for Stockpiling Program; and Maj. Gen. Herman Feldman, Quartermaster General of the Army, discussing aspects of stockpiling of cotton by the Federal Government. Subcommittee continues tomorrow.

EXPORT-IMPORT BANK

Committee on Banking and Currency: In executive session, committee voted to report favorably without amendment S. 2006, to increase the lending authority of Export-Import Bank of Washington and to extend the period within which the bank may make loans.

AGRICULTURE DEPARTMENT REORGANIZATION

Committee on Expenditures in the Executive Departments: Continuing hearings on a revised print of S. 1149, to reorganize the Department of Agriculture, the committee received testimony from six witnesses, as follows: The following four testified generally in support of the objectives of the bill: Dr. D. Howard Doane, representing the U. S. Chamber of Commerce, and chairman of the board, Doane Agricultural Service, St. Louis, Mo.; Guy D. Joserand, Dodge City, Kans.; E. S. Trask,

Snake River Valley Dairymen's Association of Idaho; and Frank J. Brice, Waterbury, Conn., representing the Junior Chamber of Commerce of the U. S.

William B. Wright, representing U. S. Chamber of Commerce, and a member of its natural resources committee, Mary's River Ranch, Deeth, Nev., confined his testimony to section 7 of the committee print dealing with transfer to the Department of Agriculture of the functions of Bureau of Land Management, except as respects mining and mineral resources, and the functions of the Secretary of Interior in relation thereto, stating that the Chamber of Commerce recommends enactment of that section, as amended, to include three suggested recommendations. Dr. William Schoenfeld, Oregon State College, Corvallis, Oreg., discussed sections of the committee print bearing upon agricultural credit and agricultural resource conservation. Committee meets again September 5.

TAX REVISION

Committee on Finance: Committee, in executive session, continued consideration of H. R. 4473, tax-revision bill, taking action on additional amendments to the bill, as follows:

(1) It agreed to extend for two more years the provision in existing law exempting from income tax compensation received by military personnel in combat areas and added a new exemption in the case of personnel wounded in combat areas who are brought back home.

(2) It approved the application of section 22 (b) (9) and (10) of the code, relating to the retirement of indebtedness by corporations for less than par value without recognition of gain (similar to a measure which has previously passed the House).

(3) The following tax treatment of taxable cooperatives was approved: Taxable cooperatives will continue to pay taxes as now provided under existing law with the following exceptions. In the case of patronage dividends deductions will be allowed only if either of the following two conditions are met: (a) The patronage dividends must be paid in cash or merchandise within 75 days after the year in which the patronage occurred; or (b) the patronage dividends must be paid in the form of irrevocable obligations payable within a period of not more than 2 years after the year in which the patronage occurred and the obligations must bear interest at the rate of at least 3 percent payable annually. Such obligations in order to be deductible cannot exceed one-half of the annual profits of the cooperative for the year in which the patronage occurred. In the case of patronage dividends deductible by the cooperative the patron will be required to return in income their face value to the extent that such dividends represent income to the patron. The patrons will not be required to include as income any patronage dividends which are taxable to the cooperatives.

(4) Committee agreed that the exemption provided cooperatives under section 101 (12) of the Internal

Revenue Code shall apply only if the following additional limitations are met: (a) 95 percent of the members of the cooperative are individuals; (b) the total assets of the cooperative, exclusive of inventory, are less than \$100,000; and (c) in the case of business done with the United States, patronage dividends are paid to the United States on the same basis as to members.

In an afternoon session, the committee reached the following agreements:

(1) It agreed to give individual income-tax payers who have used a standard deduction when they filed their return the right to change that option at any time within the period of the statute of limitations and claim itemized deductions. Also taxpayers who had used itemized deductions on their return would be permitted to amend their return and use itemized deductions.

(2) Married individual income-tax payers who filed separate returns would be given the right to change their option and file joint returns any time within the period of the statute of limitations.

(3) The committee agreed to tax mutual savings banks as ordinary corporations but amounts paid to depositors or credited to their account are to be allowed as deductions in arriving at taxable income. As in the case of commercial banks deduction for amounts to meet losses on loans based on actual experience over a 20-year period would be permitted. In computing the net income of any mutual savings bank, there would be allowed as a deduction from gross income, in addition to deductions otherwise provided, any amount paid, within the taxable year, to the United States or to any instrumentality thereof exempt from Federal income taxes, in repayment of indebtedness incurred prior to September 1, 1951.

(4) Savings and loan associations, including Massachusetts cooperative banks and Federal savings and loan associations, would be taxed as ordinary corporations but a deduction would be allowed for dividends or interest paid to depositors. A special deduction would also be allowed for amounts placed in bad-debt reserves based upon experience over a prior period.

(5) It accepted in lieu of the House-approved provision, the 6½-percent life-insurance tax formula proposed by the majority of the life-insurance companies, on a 1-year basis.

(6) The corporate rate increases would become effective as of January 1, 1951.

Committee continues tomorrow.

CRIME, CANADIAN REGISTRY VESSELS, AND TRANSPORTATION POLICY

Committee on Interstate and Foreign Commerce: In executive session, committee voted to report without amendment H. R. 3436, authorizing vessels of Canadian registry to transport grain between U. S. ports on the Great Lakes during 1951, and with perfecting amendment S. 1899, to define further the national transportation policy.

As the Senator knows, he was called back to Washington in order that we could consider the postal bills. We should have passed them today, but we did not do so.

Mr. JOHNSTON of South Carolina. The majority leader has mentioned the fact that I was called back. I was at home. I was going to attend the funeral of a very close friend of mine on that day. I left my family at home to attend the funeral and I returned immediately when I was called back. I gladly came back to take up the bills.

Mr. McFARLAND. Yes; I know that the distinguished Senator from South Carolina made a great sacrifice to be here, particularly to secure action on the postal bills. I regret very much that we were unable to do so.

INCREASE OF LENDING AUTHORITY OF EXPORT-IMPORT BANK OF WASHINGTON

Mr. McFARLAND. Mr. President, I ask unanimous consent for the present consideration of Senate bill 2006, Calendar No. 682, the so-called Export-Import Bank bill.

The PRESIDING OFFICER (Mr. UNDERWOOD in the chair). The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 2006) to increase the lending authority of the Export-Import Bank of Washington and to extend the period within which the bank may make loans.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MAYBANK. Mr. President, I wish to make only a brief statement in regard to this bill.

The bill provides for an amendment to the Export-Import Bank Act of 1945, as amended, increasing the lending authority of the Export-Import Bank of Washington by \$1,000,000,000 and extending the period within which the bank shall continue to exercise its functions for 5 years beyond June 30, 1953.

The primary purpose of the increase in authority is to place the bank in a position to make full use of opportunities in connection with its efforts to assist the economic progress of friendly nations and for the development of strategic materials.

Mr. Herbert E. Gaston, Chairman of the Board of Directors of the Export-Import Bank, testified before the committee as to the necessity for the bank's lending authority being increased to enable the bank to play the important role entrusted to it in serving the economic interests of the United States. Mr. John Snyder, Secretary of the Treasury; Mr. Charles Sawyer, Secretary of Commerce; Mr. Dean Acheson, Secretary of State; Mr. W. McChesney Martin, Jr., Chairman of the Federal Reserve Board; and Mr. William Foster, Economic Cooperation Administrator; all of whom, together with Mr. Gaston, constitute the membership of the National Advisory Council on International and Financial Problems; as well as Mr. Charles Brannan, Secre-

tary of Agriculture; sent the committee letters supporting the bill.

The existing resources of the Export-Import Bank do not permit it to undertake any significant amount of additional financing. At present approximately \$500,000,000 of its existing lending authority remains uncommitted. With loans outstanding or committed in the amount of approximately \$3,000,000,000 prudent management requires that the bank retain available and uncommitted an amount sufficient to meet emergency situations in which the United States has a vital interest.

In utilizing the requested additional lending authority, the bank contemplates no departure from the criteria which it now applies in the consideration of loan applications. Loans will be made, as at present, to assist in financing well-planned development projects which are economically justified and which will contribute to the economic development of the borrowing countries. They will be used to finance the sales of American merchandise, not only manufactured merchandise embodying the skilled labor of many American engineers, designers, and mechanics, but also agricultural commodities such as cotton and wheat. Even more important currently and in the immediate future will be loans for the development and production abroad of materials essential to our national security. In this type of loans, the bank is cooperating and will continue to cooperate with the other agencies of the Government charged with the responsibility of procuring essential materials.

The funds authorized in this bill are not appropriated funds which are spent by virtue of their being voted by the Congress. They are funds which may be utilized by the bank through borrowing from the United States Treasury to the extent that the Board of Directors of the bank determines that they are needed for the purpose of making loans which offer reasonable assurance of repayment and which otherwise meet the requirements of the Export-Import Bank Act of 1945, as amended.

The present expiration date of the lending authority of the bank, June 30, 1953, is unduly restrictive in view of the necessity for continuity in the authority of the bank to perform its role in the efforts of the United States to assist the economic progress of friendly countries. It, therefore, is necessary to extend the period within which the bank may continue to exercise its functions, and an extension of 5 years appears reasonable and desirable.

Total commitments since the bank was created exceed \$5,000,000,000 and total commitments now on the bank's books exceed \$3,000,000,000. Yet, there never have been any substantial losses. The ratio of recorded losses to funds actually put out by the bank is at the present time less than one one-hundredth of 1 percent.

I am of the opinion, and I am sure every member of the committee shares my view, that the management of the bank has proven its ability to utilize the

funds of the bank in a responsible manner and that the requested increase in funds of the bank available for lending, and the requested extension of time within which loans may be made, are warranted and desirable.

The bill has been reported unanimously by the committee, including all members of the committee, both Republicans and Democrats.

I am hopeful that the bill will be passed by the Senate without debate, because all of us are well aware of the excellent record of the Export-Import Bank. I am particularly anxious that we pass the bill tonight because on Monday there will be a conference of the International Monetary Fund and the International Bank. The Secretary of the Treasury, Mr. Snyder, can point to our action on this bill as example of our desire to help other countries to help themselves.

I have been assured by the chairman of the House Banking and Currency Committee, Representative SPENCE, that the bill will be taken up promptly in the House.

I see in the Chamber at this time the Senator from Kansas [Mr. SCHOEPP], who is a member of the committee, and is very familiar with the bill.

The Senator from [Mr. DIRKSEN] told me that, if necessary, he would be here in connection with this measure.

Mr. President, there has been no opposition to the bill. For the good of our national defense, for industry and business in this country and for the good of the people of the world—Japan, the Philippines, South America, the Middle East—I hope the bill will be passed—and passed at once.

The PRESIDING OFFICER. The bill is open to amendment.

If there is no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 2006) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Export-Import Bank Act of 1945, as amended (59 Stat. 526, 666; 61 Stat. 130), is hereby amended in the following particulars:

(a) By deleting from section 6 the words "two and one-half" and substituting in lieu thereof the words "three and one-half"; and

(b) By deleting from section 7 the words "three and one-half" and substituting in lieu thereof the words "four and one-half"; and

(c) By deleting from section 8 the date "June 30, 1953" and substituting in lieu thereof the date "June 30, 1958."

Mr. MAYBANK subsequently said: Mr. President, I wish to state for the RECORD, to follow my remarks on the Export-Import Bank bill, and in connection with the passage of Senate bill 2006, increasing by \$1,000,000,000 the lending authority of the Export-Import Bank of Washington and extending the period within which the bank may make loans, that it is the firm opinion of the members of the Banking and Currency Committee that, in order to get favorable action on a loan from the Export-Import Bank, it should not and is not

necessary for foreign governments to pay any kind of fees to be represented in Washington. Naturally in some instances some legal complications may have to be attended to after a loan is granted and disbursements are to be made, and under such circumstances it may be more economical for a foreign government to hire American legal talent. But all a foreign government has to do is to make a good case for itself, and it is best able to do this itself.

I am satisfied that Mr. Gaston and the Export-Import Bank judge each loan strictly on its merits. The bank does not permit proceeds of its loans to be used to pay fees. Mr. Gaston stated that foreign governments generally did not use third parties in negotiating loans.

I think the Senator from Kansas [Mr. SCHOEPPPEL] will bear me out when I say that what I have just stated is in accordance with the testimony.

Mr. SCHOEPPPEL. That is correct.

Mr. MAYBANK. No foreign government has to pay any fee to any private person or groups in this country in order to obtain justice and fair treatment. We want to impress that on those who will be here on Monday for the International Bank meeting.

I am confident that all applicants for loans are considered strictly on their merits. Any foreign government or its industries, if they have a meritorious case, the directors of the Export-Import Bank, who are honest men, will be glad to consider it, without requiring those who request a loan to hire an agent or representative in Washington to aid their cause.

TRIBUTE TO SENATOR MCCARTHY

Mr. CAIN. Mr. President, I wish to make a brief statement about a colleague and a friend.

I have recently returned from a week's visit to my home State of Washington. In that period I was pleased to have an opportunity to be in two audiences which heard and listened thoughtfully to the junior Senator from Wisconsin [Mr. MCCARTHY]. This experience for me was both very revealing and very encouraging.

Although I have enjoyed serving with the Senator from Wisconsin since early in 1947, I had never heard him make a speech except on the Senate floor. In recent months he has been characterized by segments of our press as being a frenzied, raging, raving, arm-swinging, demagogic rabble-rouser. I have received hundreds of letters from my own State and elsewhere denouncing the Senator from Wisconsin for making political hay out of these tactics. Many others have written to inquire of me whether the Senator from Wisconsin was as horrible and as terrible as he was pictured to them by many newspaper columnists and radio and television commentators.

I always replied that the Senator from Wisconsin was what he was because of the administration's complete unwillingness many months ago to examine the charges which he offered to a Senate committee, and that I believed that the press and radio attacks on the Senator

from Wisconsin were designed and intended to be an exaggeration. I encouraged all those who wrote to me to listen to the Senator from Wisconsin before they accepted as being true and accurate and reasonable anything which was said of or about him by either the friends or the enemies of the Senator from Wisconsin.

I was asked to introduce the Senator from Wisconsin to a community gathering in Spokane and also to one in Seattle. I accepted those invitations without hesitation or reluctance. The substance of my introductions was that the Senator from Wisconsin was an American in public life whose main purpose was to bring his story and his convictions to the people of this Nation because many of those who profess to represent the people had bluntly refused to give the Senator from Wisconsin the hearing and consideration he deserved.

Many in that overflow audience at Spokane knew the Senator from Wisconsin only by a reputation which they did not admire or respect. Every seat in the largest banquet room in Spokane's famed Davenport Hotel was occupied, and as many persons listened through loud-speakers which were installed in the lobby. The Senator from Wisconsin disarmed some in his audience and brought satisfaction to others by appealing to their reason, rather than to their emotions. He spoke for about an hour. He said nothing which he did not attempt to document adequately. He made statements which others have claimed he dared make only on the floor of the Senate, where he would be protected by immunity against libel suits. During the course of his remarks, few people moved, and no one went away. Those who had come to jeer and criticize, went later to some corner to think for themselves about what the Senator from Wisconsin had said. His audience included Republicans, Democrats, and a number of persons who profess no allegiance to any party. A substantial number from among all those groups came forward to shake hands with him and to express their appreciation for the presence and reflections of the Senator from Wisconsin in the State of Washington.

I journeyed with the Senator from Wisconsin from Spokane to Seattle, where he spoke in the Metropolitan theater. The night was a bad one. Badly needed rain, for the summer has been too dry in the Puget Sound region, fell throughout the afternoon and evening of his appearance. Because of a special session of the legislature, the public notices and announcements of the coming of the Senator from Wisconsin had been few and far between. Yet, Mr. President, every seat in the theater was filled, and more people than those in the theater stood outside in the rain. Various people came from as far as several hundred miles to hear the Senator from Wisconsin.

Again, his approach was on the quiet side. He spoke mostly from documents and photostats. The applause which he received when he concluded was sustained and very real. During his speech,

few people moved, for most of them were determined not to miss a word. After he was through, the Senator from Wisconsin spent more than an hour in shaking hands with the many Americans who wanted to shake hands with him. I was there, Mr. President, and I have simply recited what I saw with my own eyes.

Mr. President, the Senator from Wisconsin has enemies, as does every other Member of this body. But the enemies of the Senator from Wisconsin will never be successful in their attempt to destroy him by picturing him as something which he is not. The citizens who live in my sovereign State of Washington are not dissimilar from citizens who live elsewhere in the Nation. The Senator from Wisconsin will find a welcome wherever he goes because millions of Americans are just as concerned and just as worried about the state and the health of our Nation as is he. If the administration is indifferent to the infiltration of Communists and misguided liberal poison within the bloodstream of America, the Senator from Wisconsin is vigilant and alert to its evil and dangers. Mr. President, it is not sufficient—at least, not to my mind—for the administration and its poison-pen experts to attack the Senator from Wisconsin. The administration must prove him to be wrong. This they have been unable to do.

Mr. President, the Senator from Wisconsin [Mr. MCCARTHY] requires and needs no sympathy from me or from anyone else; but I have enjoyed publicly expressing my admiration for his continuing determination to seek a decision from the American people.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. DWORSHAK. Mr. President, the Senator from Idaho would like to state that on August 29 the junior Senator from Wisconsin [Mr. MCCARTHY] was the principal speaker at one of the most enthusiastic political gatherings ever held in the State of Idaho, and that the newspaper reports indicate that his reception there was a stinging rebuke to the smear artists who seek to destroy him because he has opposed the un-American interests which are seeking to destroy our Republic.

Mr. CAIN. I may say to the Senator from Idaho, my very close friend, that I am certain our mutual friend, the junior Senator from Wisconsin, would have appreciated the Senator's remarks, had he been present. He will relish and deeply appreciate them when he reads them in the Record tomorrow. But, if I may ask the Senator from Idaho a question, have I been correctly informed that, with reference to the gathering in Idaho, the Governor of Idaho was anxious to see and meet and listen to the Senator from Wisconsin, but the Governor did not arrive at the auditorium until 15 minutes before the Senator was to begin his speech, in consequence of which the Governor stood, without reluctance and without regret, during the course of the ensuing hour and more?

Mr. DWORSHAK. So far as I know from the newspapers, that is entirely true. Many persons were unable to get

82D CONGRESS
1ST SESSION

S. 2006

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 12, 1951

Referred to the Committee on Banking and Currency

AN ACT

To increase the lending authority of Export-Import Bank of Washington and to extend the period within which the bank may make loans.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Export-Import Bank Act of 1945, as amended (59
4 Stat. 526, 666; 61 Stat. 130), is hereby amended in the
5 following particulars:

6 (a) By deleting from section 6 the words "two and
7 one-half" and substituting in lieu thereof the words "three
8 and one-half"; and

9 (b) By deleting from section 7 the words "three and
10 one-half" and substituting in lieu thereof the words "four and
11 one-half"; and

- 1 (c) By deleting from section 8 the date "June 30,
2 1953" and substituting in lieu thereof the date "June 30,
3 1958".

Passed the Senate September 7 (legislative day, September 4), 1951.

Attest:

LESLIE L. BIFFLE,

Secretary.

82ND CONGRESS
1ST Session

S. 2006

AN ACT

To increase the lending authority of Export-Import Bank of Washington and to extend the period within which the bank may make loans.

SEPTEMBER 12, 1951

Referred to the Committee on Banking and Currency

Francis T. Matchett, Assistant Chief, Office of Investigations, all of the Office of the Comptroller General; Miles Kennedy and Cecil H. Munson, both of the American Legion; and Adin N. Downer, VFW. Hearings continue tomorrow.

POSTAL AND GOVERNMENT EMPLOYEES ORGANIZATIONS

Committee on Post Office and Civil Service: Subcommittee held hearings on S. 408 and S. 563, regarding recognition of organizations of postal and Federal employees, with the following witnesses testifying generally in support of the proposed legislation: Jerome J. Keating, secretary, National Association of Letter Carriers; Col. Chas. I. Stengel, American Federation of Government Employees; Jess V. Horton, vice president, National Association of Postal Supervisors; E. C. Hallbeck, legislative representative, National Federation of Post

Office Clerks; W. M. Thomas, president, National Postal Transport Association; Thomas G. Walters, operations director, Government Employees Council; Ross A. Messer, legislative representative, National Association of Post Office and General Services Maintenance Employees; Richard Shoemaker, legislative representative, Civic Employees Organizing Committee, CIO; and William M. Price, legislative representative of Canal Zone Central Labor Union, and Panama Canal Metal Trades Council.

Appearing in opposition to the proposed legislation were: Vincent C. Burke, Assistant Postmaster General; Bun Raley, president, National Rural Letter Carriers Association; and Luther C. Steward, president, National Federation of Federal Employees.

Cassius B. Gravitt, Jr., National League of District Postmasters, appeared in support of the principles of the legislation, but suggested amendments.

House of Representatives

Chamber Action

Bills Introduced: Eight public bills, H. R. 5379-5386; thirteen private bills, H. R. 5387-5399; and six resolutions, H. Con. Res. 160-162, and. H Res. 415-417, were introduced.

Pages 11804-11806

Military and Naval Construction: Adopted the conference report on H. R. 4914, to authorize certain construction at military and naval installations. This action clears the bill for the President.

Pages 11764-11765

Army Civil Functions: Disagreed to Senate amendments to H. R. 4386, the Department of the Army civil-functions appropriation bill for the fiscal year 1952; agreed to a conference requested by the Senate; and appointed Representatives Cannon, Kerr, Rabaut, Davis of Wisconsin, and Ford conferees on the part of the House.

Page 11769

Private Calendar: The following bills were passed on the call of the Private Calendar:

Cleared for the President: S. 47, 76, 83, 168, 295, 426, 427, 462, 495, 501, 520, 626 (in lieu of H. R. 3921), 665, 810, 880, 906 (in lieu of H. R. 790), 1009, 1028, 1107, 1279, 1425, 1504, 1562, and 1786.

Sent to the Senate without amendment: H. R. 782, 1829, 2210, 2290, 3003, 3221, 3424, 4270, 4271, and 5159.

Sent to the Senate, amended: H. R. 586, 610, 648, 842, 853, 854, 1696, 2212, 2358, 2447, 2632, 3281, 3376, 4035, and 4181.

Pages 11769-11776

Katyn Forest Massacre: Adopted by voice vote H. Res. 390, creating a seven-member select committee to conduct an investigation and study of the Katyn Forest

massacre of thousands of Polish officers. The resolution also provides the power of subpoena. Pages 11778-11787

Mutual Security: Disagreed to Senate amendments to H. R. 5113, to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security; agreed to a conference with the Senate; and appointed as conferees Representatives Richards, Mansfield, Morgan, Vorys, and Bolton.

Page 11787

Recess: The declaration of a recess was made in order at any time on Monday for the purpose of receiving Prime Minister de Gasperi of Italy.

Page 11778

Order of Business: Calendar Wednesday business, in order on September 19, was dispensed with pursuant to a unanimous-consent request by Mr. McCormack.

Page 11767

Postal Rates Readjustment: Adopted H. Res. 355, providing for the consideration of, the waiving of points of order against, and 3 hours of debate on, H. R. 2982, to readjust postal rates. Concluded general debate and read the first section before deferring further consideration of the bill until Wednesday.

Pages 11767-11803

Subpena: Adopted H. Res. 416, permitting Representative Albert to comply with subpoena to appear as a witness in the U. S. District Court for the District of Columbia.

Pages 11803-11804

Program for Wednesday: Adjourned at 5:11 p. m. until Wednesday, September 19, at 12 o'clock noon, when the House will continue consideration of H. R. 2982, relating to readjustment of postal rates.

Committee Meetings

SURVIVORS' BENEFITS

Committee on Armed Services: Kilday special subcommittee resumed hearings on H. R. 5169, to provide benefits for survivors of members of the uniformed services. Witnesses heard today were Admiral William Fechteler, Chief of Naval Operations; Robert Myers, Chief Actuary, Social Security Administration; and W. Kroll, actuary, Treasury Department. Recessed until tomorrow morning.

EXPORT-IMPORT BANK

Committee on Banking and Currency: Ordered reported unanimously to the House S. 2006, to increase the lending authority of Export-Import Bank of Washington and to extend the period within which the bank may make loans. Herbert E. Gaston, Chairman of the Board of Directors of Export-Import Bank, testified today in favor of the bill. No testimony was offered in opposition.

SCHOOLS, DEFENSE AREAS

Committee on Education and Labor: Held a hearing on H. R. 5332, to amend Public Laws Nos. 815 and 874 (81st Cong.), with respect to schools in critical defense-housing areas. Speaking in favor of the proposed legislation were Dr. E. L. Lindman, Director, Division of School Assistance for Federally Affected Areas, Office of Education; and Col. Bertholde Norwotny, Office of Chief of Personnel, Department of the Air Force. Recessed until tomorrow morning, when it will consider the bill in executive session.

ELECTROMAGNETIC CONTROL—RADIO BROADCASTING

Committee on Interstate and Foreign Commerce: Ordered reported to the House S. 537, placing Presidential control over the use of all electromagnetic devices used in navigational defense between certain defined megacycles during the time of war or national emergency.

Also considered, but held over until tomorrow morning, S. 658, to amend the Communications Act of 1934 (amending organizational, procedural, and appellate sections).

PARCEL POST

Committee on Post Office and Civil Service: Opened hearings on H. R. 3465, to readjust size and weight limitations on fourth-class (parcel post) mail. Witnesses to be heard at today's meeting were Vincent C. Burke, Deputy Postmaster General, accompanied by

Nelson B. Wentzel, Deputy Assistant Postmaster General; Delegate Farrington of Hawaii; and A. L. Hammell, president, and K. N. Merritt, vice president, Railway Express Agency, New York City. Will resume on same subject tomorrow morning.

NEW ORLEANS WATERWAY

Committee on Public Works: Larcade Subcommittee on Rivers and Harbors continued its series of hearings relating to miscellaneous projects throughout the country. The following witnesses testified today in favor of H. R. 5218, providing for the improvement of the Mississippi River-Gulf outlet and the Mobile to New Orleans Intracoastal Waterway: Brig. Gen. C. H. Chorpeneing, Assistant Chief of Engineers for Civil Works; Col. William D. Milne, Deputy Chief of Civil Works, Department of the Army; Senator Ellender, of Louisiana; Bruce Tucker, administrative assistant to Senator Long, of Louisiana; Representative Hébert, of Louisiana; H. A. Sawyer, president, Board of Commissioners of Port of New Orleans; Robert E. Elliott, president, New Orleans Petroleum Corp.; Joseph M. Rault, attorney in admiralty, and president of New Orleans Chamber of Commerce; J. A. McNiven, chief engineer, Board of Commissioners of the Port of New Orleans, La.; George C. Whitney, representing Delta Line, Mississippi Shipping Co., Inc., New Orleans, La.; Rene F. Clerc, organizer of Louisiana-Texas Intracoastal Canal Association, and representative in Washington of Port of New Orleans; and Lachlan Macleay, St. Louis, Mo., president, Mississippi Valley Association. Adjourned until tomorrow morning, when it will hold hearings on legislation regarding improving power purposes of Niagara Falls and River.

CUSTOMS SIMPLIFICATION

Committee on Ways and Means: Held further hearings on H. R. 1535, to amend the Tariff Act of 1930, designed to simplify its operation, to reduce expense and delay incident to its administration, and to eliminate inequities which add to the difficulty of enforcement. The committee received testimony today from Winthrop G. Brown, Office of International Material Policy, Department of State. Mr. Brown will continue his statement at the meeting scheduled for tomorrow morning.

Joint Committee Meetings

ATOMIC ENERGY—THORIUM

Joint Committee on Atomic Energy: Atomic Energy Commissioners and staff appeared before the Subcommittee on Reactor Development, in executive session, to discuss important matters concerning thorium.

INCREASE IN AND EXTENSION OF LENDING AUTHORITY OF EXPORT-IMPORT BANK OF WASHINGTON

SEPTEMBER 19, 1951.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. SPENCE, from the Committee on Banking and Currency,
submitted the following

R E P O R T

[To accompany S. 2006]

The Committee on Banking and Currency, to whom was referred the bill (S. 2006) to increase the lending authority of Export-Import Bank of Washington and to extend the period within which the bank may make loans, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of the bill is to increase the borrowing and lending authority of the Export-Import Bank by \$1 billion and to extend the life of the authority of the bank to exercise its functions for an additional period of 5 years, namely, to the close of business June 30, 1958. Your committee received testimony from Mr. Herbert E. Gaston, Chairman of the Board of Directors of the Export-Import Bank and received letters from Mr. John W. Snyder, Secretary of the Treasury; Mr. D. W. Rentzel, Acting Secretary of Commerce; Mr. William McC. Martin, Jr., Chairman of the Board of Governors of the Federal Reserve System; Mr. James E. Webb, Acting Secretary of State; Mr. Charles F. Brannan, Secretary of Agriculture, and Mr. William C. Foster, then Administrator of the Economic Cooperation Administration, in support of the proposed legislation.

HISTORY OF THE BANK

Export-Import Bank of Washington was initially created as a banking corporation under the laws of the District of Columbia on February 12, 1934, pursuant to Executive Order 6581, dated February 2,

1934. The Export-Import Bank Act of 1945 (59 Stat. 526; 12 U. S. C. 635) made the bank an independent Federal agency, gave it indefinite life, increased the lending authority from \$700 million to \$3½ billion, and arranged its financing directly from the United States Treasury instead of through Reconstruction Finance Corporation.

In June 1947 the Export-Import Bank Act of 1945 was further amended (61 Stat. 130) for the purpose of reincorporating the bank under Federal charter and for other purposes. The amendment limited its existence until June 30, 1953, and until such time thereafter as might be required for orderly liquidation, and stipulated that net earnings, after reasonable provision for possible losses, shall be used for payment of dividends on capital stock. It was further provided that borrowings from the Treasury shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States. The rechartered corporation succeeded to all the rights and assumed all the liabilities of the District of Columbia corporation, and the members of the Board of Directors appointed pursuant to the act of 1945 continued in office during the unexpired portion of the terms for which they were appointed.

MANAGEMENT

Management of the bank is vested in a Board of five Directors, of which the Secretary of State is a member ex officio; the other four members are appointed by the President of the United States by and with the advice and consent of the Senate. Not more than three members of the Board may be members of any one political party. The act requires that each of the Directors shall devote his time not otherwise required by the business of the United States principally to the business of the bank. The bank's activities are conducted through its office located in Washington, D. C.

POLICIES

The objects and purposes of the bank are to aid in financing and to facilitate exports and imports and the exchange of commodities between the United States, or any of its Territories or insular possessions, and any foreign country or the agencies or nationals thereof. In section 2 (b) of the act the Congress declared as its intent that the bank should encourage and not compete with private capital and that loans, insofar as consistent with the major objectives, should generally be for specific purposes and, in the judgment of the Board of Directors, offer reasonable assurance of repayment. The expressed policy of the bank is to establish rates of interest on those loans to borrowers, "each to cover all operating expenses plus the interest cost of all funds used by the bank and to accumulate a reserve for future contingencies."

INVESTMENT OF THE UNITED STATES GOVERNMENT

All of the \$1 billion of authorized capital stock of the bank has been issued and is held by the United States Treasury. In addition, as of June 30, 1951, the bank had borrowed on notes payable to the United States Treasury funds in the amount of \$1,039,600,000. As of that

date the accumulated earned surplus of the bank amounted to \$254,800,873.50, of which \$51,615,134.37 represented net profit for the fiscal year ending June 30, 1951. On July 26, 1951, the Board of Directors declared a \$20 million dividend on stock held by the Treasury, out of the earnings for the fiscal year ending June 30, 1951. The investment of the United States Treasury in the bank amounted to \$2,294,400,873.50 on June 30, 1951. The bank is presently authorized to borrow funds from the Treasury in an amount of \$2½ billion (two and one-half times its outstanding stock).

METHODS OF MAKING LOANS

Applications for loans are presented to the bank through many sources such as foreign embassies and agencies, the Department of State, and by exporters and prospective borrowers directly or through their banks. Such applications are subjected to detailed analysis by the bank's technical staff to determine whether they conform to the general policies of the bank. The bank consults with other interested departments and agencies of the Government as to various aspects of the applications and consults with the National Advisory Council on international monetary and financial problems in its coordinating capacity as to the relationship of a proposed loan to the general lending policies of the United States Government. Commercial banks may act as agents of the Export-Import Bank in instances where the loan transactions are better conducted through customary private trade channels than by direct advances of the Export-Import Bank. A separate agreement is executed with each agent bank under each such loan. The Export-Import Bank shall at any time, on demand by the agent bank, and may at any time voluntarily, reimburse the agent bank for advances made and interest earned and thereby acquire all right, title, and interest in and to the obligations held by the agent bank under the loan agreement. As of June 30, 1951, the outstanding balances of loans disbursed by commercial banks under agency agreements with the Export-Import Bank amounted to \$44.8 million.

OVER-ALL OPERATIONS

Since the creation of the bank in February 1934 to June 30, 1951, total loans authorized by the bank amounted to approximately \$5.2 billion. As of that date the total amount which had actually been disbursed under loan agreements was approximately \$3.4 billion and of this amount approximately \$1.1 billion had been repaid. Slightly less than \$1 billion authorized credits had been allowed to expire unused or had been canceled. As of June 30, 1951, outstanding loans amounted to \$2,314.6 million and the unutilized portion of established active credits was \$685.9 million. Total loans outstanding and committed thus amounted to \$3,000.5 million, leaving uncommitted lending authority of \$499.5 million out of the statutory limit of \$3.5 billion.

Only six loans aggregating \$226,177.52, including accrued interest, were in default as of June 30, 1951, and loss provision was fully reserved on the bank's books. The ratio of recorded losses to funds actually put out by the bank is at the present time less than one-one hundredth of 1 percent. In addition there were three borrowers delinquent on interest and principal payments in an aggregate amount of \$3,193,868.48.

RECENT OPERATIONS

During the fiscal year ending June 30, 1951, the Board authorized new credits aggregating \$395.3 million. Of this total, credits of \$92.6 million were authorized for the development and production abroad of essential materials important to the economy of the United States and, especially, the defense and preparedness programs. These include \$20.8 million to American interests to assist in financing a zinc refinery in Peru with an estimated ultimate production of 70,000 tons of zinc a year. Credits totaling \$71.8 million were authorized for the purpose of assisting in financing the development and production in the Western Hemisphere and in Africa of strategic and critical materials of importance to the United States, including tungsten, uranium, manganese and sulfur.

Other credits authorized in this past fiscal year will assist in financing economic development. Among these are credits to Israel and Saudi Arabia to finance agricultural settlement and development, fertilizer production, and construction of roads and similar facilities. In the Western Hemisphere there were credits to Mexico and Haiti to finance irrigation, railroad improvement, highway construction and similar projects, to Colombia for the purchase of a coastwise vessel, to Chile for road construction equipment, to Brazil for expansion of the capacity of the National Steel Mill and to the Cuban Electric Co., a subsidiary of the American and Foreign Power Co., Inc., to assist that company in financing an expansion in generating capacity.

At a time when United States reserves of iron ore are decreasing and steel requirements expanding, it is of interest to note there are four major sources of high-grade iron ore which have been financed in part by Export-Import Bank in recent years. The rich Itabira iron-ore deposit in Brazil is now producing 800,000 tons and ultimately is expected to produce 1,500,000 tons per year for shipment to the United States. The Steep Rock iron mines in Canada produced 1,200,000 tons in 1950. A deposit in Chile owned by a subsidiary of Bethlehem Steel Co., is expected to produce 1,000,000 tons annually for the Chilean steel plant at Concepción and for Bethlehem's plant at Sparrow's Point, Md. In June of this year the first shipload of 67 percent iron ore from the Bomi Hills iron mines in Liberia arrived in the harbor at Baltimore for reduction at the Republic Steel Co. plant. This new source of iron ore was developed in part with a loan of \$4 million extended by the Export-Import Bank to the Liberia Mining Co., Ltd., in April 1949.

INCREASE IN LENDING AUTHORITY

There is a growing demand on the bank for loans to assist in financing the production abroad of increased supplies of strategic metals and other essential products in short supply in the United States in the present emergency situation.

The bank, as the foreign lending agency of the United States Government, has cooperated closely with the procurement and defense agencies of the Government on this problem, and, anticipating that the situation will require that substantial credits may be necessary to create new facilities or expand existing facilities abroad and for

essential economic development, has given attention to the availability of funds under the existing statutory lending authority of the bank.

As of June 30, 1950, there remained uncommitted of the \$3.5 billion lending authority of the bank, \$499.5 million. Without a reasonable increase in its lending authority, the bank would not be in a position to make new loan commitments for strategic material production and for essential economic development on a scale adequate to meet the situation, and at the same time retain an adequate reserve for emergency purposes.

The Board of Directors of the bank has therefore proposed that the lending authority of the bank be increased. The President included in his budget message to the Congress, on January 15, 1951, a strong endorsement of the purposes of this action and repeated that endorsement in his message to the Congress of May 24, 1951, on the Mutual Security Program, in these words:

Loans by the Export-Import Bank will also continue to play an important role in our efforts to assist the economic progress of friendly countries. In order that full use may be made of the opportunities for loans, especially to develop strategic materials, I recommend that the lending authority of the Export-Import Bank be increased by \$1,000,000,000. Not all of the increased lending authority, of course, will be used in the coming year.

The bill was reported unanimously by your committee.

SECTION ANALYSIS OF THE BILL

Subsection (a) would amend section 6 of the Export-Import Bank Act of 1945, as amended, by increasing the amount of money that the bank may borrow from the Treasury from $2\frac{1}{2}$ times the capital stock of the bank to $3\frac{1}{2}$ times the capital stock. The capital stock of the bank is \$1,000,000,000. The effect of this subsection would be to increase the borrowing authority of the bank from the presently authorized \$2,500,000,000 to \$3,500,000,000 to enable the bank to secure the additional funds which subsection (b) would authorize it to lend.

Subsection (b) would amend section 7 of the Export-Import Bank Act of 1945, as amended, by increasing the amount of loans and guaranties that the bank may have outstanding at any one time from $3\frac{1}{2}$ times the capital stock to $4\frac{1}{2}$ times the capital stock. The effect of subsection (b) would be to increase the bank's lending authority from the presently authorized \$3,500,000,000 to \$4,500,000,000.

Subsection (c) would amend section 8 of the Export-Import Bank Act of 1945, as amended, by extending from June 30, 1953, to June 30, 1958, the period in which the bank shall continue to exercise its functions, and the effect of this subsection is thus to provide an extension of 5 years in the life of the bank.

No other changes in the Export-Import Bank Act of 1945, as amended, would be made by the bill.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as passed the Senate are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

EXPORT-IMPORT BANK ACT OF 1945, AS AMENDED

* * * * *

SEC. 6. The Export-Import Bank of Washington is authorized to issue from time to time for purchase by the Secretary of the Treasury its notes, debentures, bonds, or other obligations; but the aggregate amount of such obligations outstanding at any one time shall not exceed [two and one-half] *three and one-half* times the authorized capital stock of the Bank. Such obligations shall be redeemable at the option of the bank before maturity in such manner as may be stipulated in such obligations and shall have such maturity as may be determined by the Board of Directors of the bank with the approval of the Secretary of the Treasury. Each such obligation shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the obligation of the bank. The Secretary of the Treasury is hereby authorized and directed to purchase any obligations of the Bank issued hereunder and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act are extended to include such purpose. Payment under this section of the purchase price of such obligations of the Bank and repayments thereof by the Bank shall be treated as public-debt transactions of the United States.

SEC. 7. The Export-Import Bank of Washington shall not have outstanding at any one time loans and guaranties in an aggregate amount in excess of [three and one-half] *four and one-half* times the authorized capital stock of the Bank.

SEC. 8. Export-Import Bank of Washington shall continue to exercise its functions in connection with and in furtherance of its objects and purposes until the close of business on [June 30, 1953] *June 30, 1958*, but the provisions of this section shall not be construed as preventing the bank from acquiring obligations prior to such date which mature subsequent to such date or from assuming prior to such date liability as guarantor, endorser, or acceptor of obligations which mature subsequent to such date or from issuing, either prior or subsequent to such date, for purchase by the Secretary of the Treasury, its notes, debentures, bonds, or other obligations which mature subsequent to such date or from continuing as a corporate agency of the United States and exercising any of its functions subsequent to such date for purposes of orderly liquidation, including the administration of its assets and the collection of any obligations held by the bank.

* * * * *



Union Calendar No. 299

82^D CONGRESS
1ST SESSION

S. 2006

[Report No. 978]

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 12, 1951

Referred to the Committee on Banking and Currency

SEPTEMBER 19, 1951

Committed to the Committee of the Whole House on the State of the Union
and ordered to be printed

AN ACT

To increase the lending authority of Export-Import Bank of Washington and to extend the period within which the bank may make loans.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That the Export-Import Bank Act of 1945, as amended (59
4 Stat. 526, 666; 61 Stat. 130), is hereby amended in the
5 following particulars:

6 (a) By deleting from section 6 the words "two and
7 one-half" and substituting in lieu thereof the words "three
8 and one-half"; and

9 (b) By deleting from section 7 the words "three and
10 one-half" and substituting in lieu thereof the words "four and
11 one-half"; and

- 1 (c) By deleting from section 8 the date "June 30,
 2 1953" and substituting in lieu thereof the date "June 30,
 3 1958".

Passed the Senate September 7 (legislative day, September 4), 1951.

Attest:

LESLIE L. BIFFLE,

Secretary.

Union Calendar No. 299

82ND CONGRESS
1ST SESSION

S. 2006

[Report No. 978]

AN ACT

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Dillon S. Myer, and George M. Tunison, of Omaha, Nebr., attorney for the Shoshones. This hearing was on July 23 of this year, with the subcommittee chairman, Hon. TOBY MORRIS, of Oklahoma, presiding.

During this hearing, Mr. Tunison expressed concern about possible delays postponing action on the extension, but the chairman, the gentleman from Oklahoma, allayed those fears with a tribute to the diligence of the gentleman from Wyoming in handling the bill, H. R. 4636. At this point, Mr. Speaker, permit me to quote from the record of the hearing the remarks made by the chairman:

Mr. MORRIS. You have a diligent Congressman here looking after it, because he has seen me a number of times about this bill, and I was very glad to accommodate him, and he has been very diligent in looking after it.

Following this hearing, on July 23, the Senate passed S. 950, the companion measure to Mr. HARRISON's H. R. 4636, and on July 31, 1951, the Indian Affairs Subcommittee met to consider further Mr. HARRISON's bill.

During this meeting on July 31, Mr. HARRISON moved that his bill be tabled, and that the subcommittee accept S. 950. I believe the record of that meeting will explain quite adequately Mr. HARRISON's reason for this motion. Permit me to quote the record:

Mr. HARRISON. Due to the fact that S. 950 has passed the Senate and reached the House and that it is identical with my bill H. R. 4636, and because I do not want to create or cause any delay in the enactment of this bill for the benefit of the Shoshone and Arapaho Tribes, I would like to move that that subcommittee report S. 950 favorably to the full committee, and that my bill, H. R. 4636, be tabled.

This action was taken, upon motion by the gentleman from Wyoming.

Similar action was taken by the full Committee on Interior and Insular Affairs, also upon motion of Mr. HARRISON, during the meeting of the full committee on August 14.

When the bill came to the floor of the House, Mr. HARRISON arranged for its consideration on the Consent Calendar, thereby speeding action of the legislation by many weeks. By his persuasive action on the floor, the bill was passed by unanimous consent, a tribute to the able Member from Wyoming.

My reason for detailing all this, Mr. Speaker, is to show the important part Mr. HARRISON took in gaining final enactment and approval of the 5-year extension designed to benefit the Arapaho and Shoshone Indian Tribes of the Wind River Reservation. I do not believe Mr. HARRISON has been accorded his full share of credit in this matter, and I want the record to show clearly the part he played in this. One has only to refer to the committee records to point up the facts.

BUTTERFLY STATISTICS

(Mr. KEATING asked and was given permission to extend his remarks at this point in the RECORD and to include a newspaper editorial.)

Mr. KEATING. Mr. Speaker, the fascination of a butterfly is its darting,

elusive personality as it flashes from bush to flower. Its wings gleam golden in the sun for an instant before it disappears in the distance.

Our dollars have become just as ephemeral. They crackle crisply and attractively and the figures on the payroll look impressive, but they have become just about as substantial as butterflies. They are with the recipient such a brief time, before they fly away for higher taxes, higher rent, astronomical food costs, that they, like the butterflies, consist more of a pleasant memory than a present possession.

These are the hard realities and facts of living in the current inflation—these butterfly dollars are the worry, not butterfly statistics to which Mr. Truman refers so blithely.

But there is a limit to even butterfly dollars. There is a limit to which already overburdened taxpayers can be assessed in order to finance both peacetime luxuries and cold war costs. The taxpayers who are trying to get ahead on the treadmill of inflation are not deceived by glib statements that the budget is as tight and solid as it can be.

Our country has been riding the swell of inflation for the past decade, so revenue and tax dollars have been fairly easy to obtain. But beyond a certain stage, people refuse to work in order to pay for government which they believe extravagant. People do not bother to reinvest their savings or work harder to earn a promised bonus or raise since their share will be so small after taxes. Yet without reinvestment and increased production, our greatest weapon, our mechanical might, will be crippled.

The truly frightening element in the picture, however, is the apparent lack of concern about these facts which is evinced by the President in his off-hand remarks. Every attempt to cope with this monetary crisis constructively is dismissed as merely political, or "butterfly," statistics. It is this superficial approach when combined with the perils of a mounting inflation which threatens our Nation—not butterfly statistics.

Under leave to extend my remarks, I wish to include a recent editorial from the Washington Post, which deals with this subject:

BUTTERFLY STATISTICS

No one, not even the President of the United States, can successfully defend the proposition that Government spending is nothing to worry about. Mr. Truman's reference to his critics' use of butterfly statistics, in his speech at the dedication of the new General Accounting Office Building on Tuesday, was nothing but an evasion of the issue. In asserting that the country is stronger economically than it has ever been before, Mr. Truman is like a doctor who, seeing a flush on the face of a patient suffering from tuberculosis, pronounces him robust as a prewar dollar.

Certainly there have been storm warnings aplenty of the mounting danger of inflation—and defense spending has only begun. In this respect, the President's reference to the surplus of nearly \$8,000,000,000 over the last 5 years is highly misleading. Mr. Truman cannot have it both ways. He cannot take credit for the prosperity that always accompanies the initial stages of inflation and at the same time avoid blame for the consequences of that inflation. The tragedy,

is that, without firm leadership from the President on the inflation front, the public may assume that it is nothing to worry about.

Even if Mr. Truman's contention that 70 percent of all Federal expenditures go for national security is accepted, the contention that there is no extravagance in the budget does not hold water. In a study published earlier this year the Committee for Economic Development showed that nondefense expenditures for the current year—totally apart from military and related items, interest, and payments to veterans—have increased by more than \$2,000,000,000 over 1948. If the programs which have been expanded since 1948 had been held to their 1948 levels, the saving would have been in excess of \$3,000,000,000.

It is, of course, a mistake to peg the attack on extravagance on the motives of Government administrators. As a class they are conscientious people who do not knowingly waste the taxpayers' money. The trouble lies in the lack of selectivity on the part of the administration, in its unwillingness to forego projects which, though possibly desirable in normal times, cannot be supported along with a mammoth defense program.

Take just two examples. The administration asked \$229,000,000 for conservation payments to farmers. This program duplicates some of the work of the Soil Conservation Service and pays farmers for doing what it is in their interest to do anyhow. It could be drastically pared without harm. The Senate recently passed, with Mr. Truman's support, an appropriation of \$338,000,000 for rivers and harbors work. Apart from the political pork, could not much of this work have been postponed? Defense expenditures, of course, are in a class by themselves. There is so little information that Congress must take requests virtually on faith; we doubt whether most Senators have more than the foggiest notion of what is in the \$61,000,000,000 measure they are now considering.

An indication of what is to come may be seen in the difficulty the Senate Finance Committee has experienced in recommending even a \$6,000,000,000 tax increase. When defense expenditures really begin to bite, there must either be more taxes or more deficit financing which in itself fans inflation. Yet where are the taxes to come from? What the President has said, in effect, is that governmental expenditures—and inflation—are no problem. If the President does not take inflation seriously, who will?

HEADSTONES FOR VETERANS OF THE KOREAN WAR

(Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 1 minute and to include a bill which she introduced today.)

Mrs. ROGERS of Massachusetts. Mr. Speaker, up to the present time, the men who died in Korea and thereabouts have had no mention on the markers of their graves that they died in the Korean War. I have introduced a bill which provides that the headstones and markers placed on the graves of veterans of the Korean War shall bear the inscription "Korean War."

I told some of the Korean veterans at the Walter Reed Hospital yesterday I would introduce a bill for this purpose. I have been bitterly hurt, and many others have also, that there has been nothing on the gravestones to date. Picture the feelings of the men who have fought in Korea and their families.

I believe administratively but very belatedly they will be marked "Korean Conflict" or "Korean Campaign," but it certainly is a war in every way of the most cruel kind.

The bill I have introduced is as follows:

A bill to provide that headstones or markers furnished for graves of veterans of the Korean War shall bear the inscription "Korean War"

Be it enacted, etc., That section 2 of the act entitled "An act to provide for the procurement and supply of Government headstones or markers for unmarked graves of members of the Armed Forces dying in the service or after honorable discharge therefrom, and other persons, and for other purposes," approved July 1, 1948, is hereby amended by adding at the end thereof the following new matter: "Each such headstone or marker furnished for the grave of a member or a former member of the Armed Forces of the United States who served on active duty in or around Korea during the period beginning July 25, 1950, and ending on a date thereafter determined by Presidential proclamation or by concurrent resolution of the Congress, shall bear the inscription 'Korean War' and such other inscriptions as the Secretary may deem appropriate."

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the Record, or to revise and extend remarks, was granted as follows:

Mr. CARNAHAN and to include an editorial.

Mr. HEFFERNAN and to include an address delivered by Rear Adm. Lamont Pugh.

Mr. ANFUSO in reference to the Katyn massacre.

Mr. BURDICK.

Mr. ANGELL and to include an article.

Mr. MCGREGOR in two instances.

Mr. SHEEHAN in two instances and to include editorials.

Mr. CURTIS of Nebraska and to include extraneous matter.

Mr. PHILLIPS in two instances and to include an editorial.

Mr. REES of Kansas and to include some resolutions from his district.

Mr. WOOD of Idaho in two instances.

Mr. HARRISON of Wyoming.

Mr. HESLTON in three instances and to include extraneous matter in each.

Mr. ADAIR and to include an editorial.

Mr. EBERHARTER and to include an article which appeared in the American Bar Association Journal paying tribute to the memory of the late Middleton Beaman, who was legislative counsel of the House for 30 years.

Mr. TEAGUE and to include extraneous matter.

Mr. VAN ZANDT (at the request of Mr. MARTIN of Massachusetts) and to include an excerpt.

Mr. WILLIAMS of Mississippi and to include an editorial.

Mr. MANSFIELD and to include various letters, excerpts, newspapers, and other extraneous materials.

Mr. TACKETT to revise and extend remarks he made in the Committee of the Whole today.

Mr. SIEMINSKI in two instances and to include extraneous matter.

Mr. PASSMAN and to include extraneous matter.

Mr. FURCOLO in three instances, in each to include extraneous matter.

Mr. HOFFMAN of Michigan in two instances and to include newspaper articles.

Mr. ARMSTRONG and to include a brief article.

Mr. BROWNSON and to include an editorial from the Indianapolis Star.

Mr. CANFIELD and to include a newspaper article.

Mr. MORANO to revise and extend the remarks he made in Committee of the Whole and to include certain extraneous material.

Mr. JENSEN and to include the minutes of a meeting of a representative group of Mills County farmers and citizens.

Mr. BENDER in three instances.

Mr. ROONEY and to include an editorial from the Washington Evening Star of September 18, 1951.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1775. An act for the relief of Heinz Harald Patterson; to the Committee on the Judiciary.

ENROLLED BILL SIGNED

Mr. STANLEY, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 3731. An act for the relief of Megumi Takagi.

BILLS PRESENTED TO THE PRESIDENT

Mr. STANLEY, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills of the House of the following titles:

On September 18, 1951:

H. R. 1726. An act to provide for the organization of the Air Force and the Department of the Air Force, and for other purposes;

H. R. 4914. An act to authorize certain construction at military and naval installations, and for other purposes; and

H. R. 1971. An act for the relief of Kirocor Haladjian, Tacouhi Haladjian, Gulunia Haladjian, and Virginie Haladjian.

On September 19, 1951:

H. R. 3731. An act for the relief of Megumi Takagi.

ADJOURNMENT

Mr. ROONEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 18 minutes p. m.) the House adjourned until tomorrow, September 20, 1951, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

797. A letter from the Deputy Attorney General, transmitting a draft of a bill entitled "A bill to confer Federal jurisdiction to prosecute certain common-law crimes of violence when such crimes are committed on an American airplane in flight over the high seas or over waters within the admiralty and maritime jurisdiction of the United States"; to the Committee on the Judiciary.

798. A letter from the Executive Secretary, National Advisory Committee for Aeronautics, transmitting a letter stating that "this is to report that during the period January 1, 1951, to June 30, 1951, no contracts were negotiated by this agency," pur-

suant to the Armed Services Procurement Act of 1947, Public Law 413, Eightieth Congress, approved February 19, 1948; to the Committee on Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GRANAHAH: Committee on Interstate and Foreign Commerce. S. 537. An act to further amend the Communications Act of 1934; with amendment (Rept. No. 975). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROGERS of Florida: Committee on Interstate and Foreign Commerce. H. R. 3669. A bill to amend the Railroad Retirement Act and the Railroad Retirement Tax Act, and for other purposes; with amendment (Rept. No. 976). Referred to the Committee of the Whole House on the State of the Union.

Mr. GARMATZ: Joint Committee on the Disposition of Executive Papers. House Report No. 977. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. SPENCE: Committee on Banking and Currency. S. 2006. An act to increase the lending authority of Export-Import Bank of Washington and to extend the period within which the bank may make loans; without amendment (Rept. No. 978). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURDOCK: Committee on Interior and Insular Affairs. H. R. 2398. A bill to amend Public Law 848, Eighty-first Congress, second session; without amendment (Rept. No. 979). Referred to the Committee of the Whole House on the State of the Union.

Mr. DELANEY: Committee on Rules. House Resolution 419. Resolution for consideration of H. R. 244, a bill to amend the act of July 6, 1945, as amended, so as to reduce the number of grades for the various positions under such act, and for other purposes; without amendment (Rept. No. 980). Referred to the House Calendar.

Mr. MADDEN: Committee on Rules. House Resolution 420. Resolution for the consideration of H. R. 4255, a bill to amend the act of July 6, 1945, as amended, so as to reduce the number of grades for the various positions under such act, to adjust the salaries of officers and employees of the field service of the Post Office Department, and for other purposes; without amendment (Rept. No. 981). Referred to the House Calendar.

Mr. MITCHELL: Committee on Rules. House Resolution 421. Resolution for consideration of H. R. 339, a bill to increase the rates of compensation of officers and employees of the Federal Government, and for other purposes; without amendment (Rept. No. 982). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARTLETT:

H. R. 5400. A bill for the establishment on federally owned land in the Territory of Alaska of one roadside demonstration area comprising a lodge and pertinent facilities for the accommodation of the public, such demonstration area to be established along or in the vicinity of the Alaska Highway, and for other purposes; to the Committee on Interior and Insular Affairs.

H. R. 5401. A bill to authorize the Territory of Alaska to issue revenue bonds in a sum not exceeding \$250,000, the proceeds thereof to be used for the completion of the

House of Representatives

TUESDAY, SEPTEMBER 25, 1951

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou eternal God, our Father, in whom alone we can find help for each new day and hope for every unknown tomorrow, we rejoice that Thou art always willing to guide the erring, to heal the afflicted, to comfort the sorrowing, to strengthen the weak, and to forgive the sinful.

We pray that in these tragic and troublous days we may be more conscious of the moral and spiritual laws which Thou hast ordained, obedience to which will emancipate us from all fear and foreboding and fill our minds with peace.

We penitently confess that we are continually trying to exploit Thee and to use Thee for our own selfish ends instead of seeking to be used by Thee in the fulfillment of Thy wise and holy plans and purposes.

Grant that we may embody the spirit of our blessed Lord, that spirit of trust, of compassion, of kindness, and of love which never sought its own but the glory of God and the welfare of all mankind.

Hear us in His name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

READJUSTMENT OF POSTAL RATES

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 1046) to readjust postal rates, with House amendment thereto, insist on the House amendment and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. MURRAY of Tennessee, RHODES, BURNSIDE, REES of Kansas, and CORBETT.

ADJUSTMENT OF SALARIES OF OFFICERS AND EMPLOYEES OF FIELD SERVICE OF THE POST OFFICE DEPARTMENT

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 355) to adjust the salaries of postmasters, supervisors, and employees in the field service of the Post Office Department, with House amendment thereto, insist on the House amendment and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none, and appoints the following

conferees: Messrs. MURRAY of Tennessee, MORRISON, DAVIS of Georgia, REES of Kansas, and HAGEN.

COMPENSATION OF EMPLOYEES OF FEDERAL GOVERNMENT

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 622) to increase the basic rates of compensation of certain officers and employees of the Federal Government, and for other purposes, with House amendment thereto, insist on the House amendment and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. MURRAY of Tennessee, DAVIS of Georgia, WHITAKER, REES of Kansas, and Mrs. ST. GEORGE.

EXPORT-IMPORT BANK OF WASHINGTON

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 434, Rept. No. 1029), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2006) to increase the lending authority of Export-Import Bank of Washington and to extend the period within which the bank may make loans. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, I ask unanimous consent that the rule just filed may be considered sometime today.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. HALLECK. Mr. Speaker, reserving the right to object, and I shall not object, as I understand it this rule inadvertently was not filed yesterday. By agreeing to the unanimous-consent request we make it possible to proceed with the consideration of this measure today.

Mr. SABATH. That is correct.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

OLE BJORN KRAFT, MINISTER FOR FOREIGN AFFAIRS OF THE GOVERNMENT OF DENMARK

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order for the Speaker at any time during the day to declare a recess for the purpose of the Members of the House receiving and meeting a distinguished visitor to our country, His Excellency Ole Bjorn Kraft, Minister for Foreign Affairs of the Government of Denmark.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE LATE JOHN JOSEPH McGRATH

(Mr. ANDERSON of California asked and was given permission to address the House for 1 minute.)

Mr. ANDERSON of California. Mr. Speaker, it is with regret that I announce to the House the death of my predecessor in office, the Honorable John Joseph McGrath, a Democratic Member of the House from the Eighth District of California from 1933 to 1939. During his entire term he served in this House as a member of the Committee on Naval Affairs.

Mr. McGrath was born in Limerick, Ireland, on July 23, 1872. He died on August 24, 1951, at Mills Hospital, San Mateo, Calif. He was educated in the national schools and Christian Brothers College, Cork, Ireland. He came to the United States as a child and lived practically his entire adult life in San Mateo County.

He was employed for a number of years as a wholesale sales manager. He served as postmaster at San Mateo from 1916 to 1925. He was president of the San Mateo-Burlingame-Hillsborough Chamber of Commerce for four terms. From 1939 until his retirement he was commissioner of immigration and naturalization at San Francisco.

Mr. McGrath is survived by his widow, the former Mary Agnes Kelley; his son, Dr. John J. McGrath, of Napa, Calif.; and his two daughters, Mrs. Richard Ojeda, of Glendale, Calif., and Mrs. William Partlow, of Fresno, Calif.

I know that my colleagues who served with Mr. McGrath while he was in office join me in extending our deepest sympathy to his family.

Mr. Speaker, I ask unanimous consent that all Members who desire to do so may be permitted to extend their remarks at this point in the Record in connection with the life and services of Mr. McGrath.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HAVENNER. Mr. Speaker, I am sure that all of the Representatives in the House who served with Judge McGrath in the Seventy-third, Seventy-fourth, and Seventy-fifth Congresses remember him with real affection, because he was a truly lovable man. When I first came to Congress in 1937, Judge McGrath occupied an office across the hall from the one which was assigned to me in the Old House Office Building. As a new Member I was deeply appreciative of his friendliness and the many helpful suggestions which he made to me during my novitiate in the House.

Before I came to Congress I had known him and had numerous official contacts with him in the civic and governmental affairs of the peninsula of San Francisco. After his retirement from Congress in 1939 it was a great pleasure to me to be able to endorse him for appointment as commissioner of immigration and naturalization at San Francisco. He served with distinction in that office until it went out of existence in 1940.

When Judge McGrath first came to Congress he brought with him as his secretary, Capt. Victor Hunt Harding, who is now well known to all of us as Deputy Sergeant of Arms of the House.

The passing of Judge McGrath has removed from the life of northern California a bright and free spirit whose memory will have an affectionate place in the hearts of all those who knew him. His service to the State and Nation was always honorable and constructive, and those of us who were privileged to be his friends have had the measure of our happiness in life increased by the experience of having known him.

To his widow, Mrs. Mary Agnes Kelley McGrath; his son, Dr. John J. McGrath, of Napa, Calif.; his daughters, Mrs. Richard Ojeda, of Glendale; and Mrs. William Partlow, of Fresno; and to his three grandchildren, I extend my sincere sympathy.

(Mr. CELLER asked and was given permission to address the House for 1 minute.)

DE GASPERI'S VISIT POINTS UP NEED TO HELP ITALY

Mr. CELLER. Mr. Speaker, we were all impressed yesterday with the appearance of the Premier of Italy, Alcide de Gasperi. I do, indeed, hope that he will not go back to Italy empty-handed. If he does so, because of the impending elections there he will have mincemeat made of himself by the Communists.

He told us that 10 percent of the active or adult population of Italy were out of employment. You know and I know that more jobs are needed, that idle hands make empty bellies, and empty bellies make for communism.

Italy has been deprived of her empire, the Dodecanese Islands, Trieste, and other lands to which Italians might emigrate. Italy cannot support and control 46,000,000 souls. She is bursting at her seams with reference to surplus population. Ways and means must be found whereby she can have opportunities for her people to emigrate to various lands.

I hope that our State Department will take the initiative to help Italy in that regard.

Further, the peace treaty with Italy must be modified. We cannot make fish of one and fowl of another. We have offered soft terms to Japan. We must do the same thing to Italy, particularly since Italy is a member of the North Atlantic Treaty Organization. Onerous provisions in those treaties must indeed be modified to make her a successful and cooperative member of that North Atlantic Treaty team.

PASCAL NEMOTO YUTAKA

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 617) for the relief of Pascal Nemoto Yutaka.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. RANKIN. Reserving the right to object, Mr. Speaker, it seems to me it is about time we put a stop to flooding the country with foreigners in this way. I do not know about this individual case, but I will ask the gentleman from Ohio to explain it.

Mr. FEIGHAN. This particular bill is a private bill introduced by Senator KNOWLAND admitting to this country a 3-year-old infant, half Japanese and half American, who was adopted by a lieutenant and his wife in Japan.

Mr. RANKIN. Our immigration laws should not be set aside in this way. By this going beyond the quota limit and bringing in these people, this country is being literally flooded with un-American elements, a vast number of whom are today undermining and trying to wreck this Government and to destroy the American way of life.

Mr. FEIGHAN. He was adopted. He is a 3-year-old infant, half American and half Japanese.

Mr. RANKIN. They always have some kind of an excuse for going around the immigration law and bringing these people in here.

Mr. Speaker, I am going to object for the time being, until I have an opportunity to look into the case.

ELECTION TO COMMITTEE

Mr. DOUGHTON. Mr. Speaker, I offer a resolution (H. Res. 435) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That FRANK IKARD, of Texas, be, and he is hereby, elected a member of the standing committee of the House of Representatives on Merchant Marine and Fisheries.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMBAT PAY FOR INFANTRY OFFICERS

(Mr. BENNETT of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BENNETT of Florida. Mr. Speaker, we have just passed legislation raising the pay of Federal employees, including postal employees. I voted for that legislation, because I thought it was good

legislation. For quite a time now, we have had before us a very much more overdue piece of legislation which deals with combat pay for infantry soldiers. We have long had this legislation before Congress, and yet no action has been taken upon it. I, Mr. POTTER, Mr. TEAGUE, Mr. VINSON, and perhaps other Members of Congress, have introduced legislation along that line. I think that recognition of the tremendous sacrifices of the ground troops is long overdue. Members of the Armed Forces who are assigned to other duty which is considered hazardous receive extra pay ranging from \$30 to \$210 per month. Yet, statistics show that ground troops are engaged in the most hazardous duty of all. In World War II, the Infantry, which made up only one-fourth of the Army, including the air corps, suffered 70 percent of all Army casualties. As of September 19, 1951, a total of 83,257 casualties had been suffered by United States Armed Forces in the Korean war, of which 81,517 were in the Army and Marine Corps.

As to recognition in the form of awards and decorations, army combat divisions awarded 2.5 decorations per man killed in World War II while the Marine Corps awarded 2.7. The ratio of awards to men killed was higher in the rest of the services, ranging up to 40.9 awards per man killed.

With the approach of another bitter Korean winter, we are keenly conscious of the many hardships to which combat ground troops are subjected. Day after day, these men must fight in all kinds of weather conditions. They are customarily deprived of baths, warm meals, sleep in beds and the normal comforts of life.

This is not to detract in any way from the fine work done by the other branches of the service. We all appreciate what they have done and are doing. The purpose is rather to accord ground troops the recognition they deserve without in any way detracting from the fine service rendered by the other branches of the service.

The bill which I have introduced provides in part, as follows:

Be it enacted, etc., That (a) each enlisted man and officer of the Armed Forces below the grade of major who is assigned to a rifle battalion and entitled to receive basic pay shall, in addition to such basic pay, be entitled to receive special combat pay at the rate of \$50 for each calendar month during any part of which such battalion actually receives hostile small-arms ground fire while engaged with the enemy, provided that he is physically present at the time of such hostile small-arms ground fire and is within range thereof. Such special combat pay shall be included in the computation of any death gratuity or benefit payable as the result of the death of such enlisted man or officer while entitled thereto.

(b) No person shall be eligible to receive the special combat pay provided by this section if he is authorized to receive any incentive or special pay pursuant to section 203, 204, or 205 of the Career Compensation Act of 1949.

I sincerely hope that Congress will soon be allowed to pass upon the merits of this legislation, or some similar bill, to show consideration for America's

great infantry soldiers and to recognize their heroic sacrifice for our country.

LEADERS OF RURAL ELECTRIFICATION PROGRAM WHO HAVE GIVEN THEIR LIVES TO GOVERNMENT SERVICE

(Mr. POAGE asked and was given permission to address the House for 1 minute.)

Mr. POAGE. Mr. Speaker, in the early morning hours of June 13, 1951, six of the outstanding leaders of the rural electrification program were hurled to their death on a mountain top in Colorado. These leaders were: George Haggard, of Texas, Deputy Administrator of the Rural Electrification Administration; Arthur W. Gerth, of Missouri, Chief of the Applications and Loans Division; I. Thomas McKillop, of New York, Chief of the Management Division; Stewart McCabe, of Iowa, Robert Beeghly, of Florida, and Thomas L. Evans, of New Mexico, all three of the Rural Telephones Division.

Many of the Members of this House were acquainted with one or more of these gentlemen. All of the Members of this House were acquainted with the work of this group. I considered George Haggard and Art Gerth as two of my best friends. I considered all of these men as real servants of the people.

They died as they lived—on the mountain top of service. They died as they had always worked, in the early morning of a new day of progress. Their loss was a severe blow to the twin programs of rural electrification and rural telephone development.

Their dear ones and their friends will always be proud of them. Their countrymen will always remain indebted to them. May God bless them.

GEORGE WINDSOR, KING OF ENGLAND

(Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include an editorial regarding the role of George Windsor.)

Mrs. ROGERS of Massachusetts. Mr. Speaker, I believe the people of the United States, and all liberty-loving people, sympathize deeply with England, with the Queen, and with his daughters, Princess Elizabeth and Princess Margaret, because of the very serious illness of King George. King George represents all that is true in English character. He is a kind and great gentleman. He has a fine family. The world can ill afford to lose people like him. I hope he will gain steadily in strength.

Mr. Speaker, there are two references to very fine men in Massachusetts in this editorial, one is with reference to Senator LEVERETT SALTONSTALL, and the other concerning Secretary Maurice Tobin. Men like them, and like the King, are an inspiration as to character and goodness. The King is respected, admired, and is dearly beloved by the English people, and I know Members of Congress sympathize with the people of England in their anxiety for their Monarch and wish for the King a speedy recovery.

The editorial from the Boston Herald of September 24, is as follows:

ROLE OF GEORGE WINDSOR

There is sincere anxiety in Great Britain over King George, something we do not well understand over here. It is partly that he is loved for himself as the head of a family that reflects in a golden mirror the ideal British family. But it is also because in a completely unfathomable way he is the personality of the nation.

This is one George Windsor, better known as His Most Excellent Majesty George the Sixth, by the Grace of God of Great Britain, Ireland, and of the British Dominions Beyond the Seas, King, Defender of the Faith, Sovereign of the British Orders of Knighthood, etc., etc. He lies desperately ill, his frame as mortal as if he were merely some George Windsor of Coventry Road, Battersea, S., or wherever.

"What does a King do, daddy?" many an American child may be asking today. And daddy may be a little hard put to it to explain. Yet even an American republican (small "r") may in a thoughtful moment sometime wonder if the British really haven't got something in their institution of a monarch.

Let us suppose for a mystical moment that we had a King in this country. He would be a man of exemplary family life, who would represent for us the kind of domestic solidity we commonly credit to the family of Maurice Tobin. He would, of course, have the qualities of courtesy and gentility that distinguish Bernard Baruch, if not perhaps Mr. Baruch's brilliance. We would hope he might have the same homely attractiveness as LEVERETT SALTONSTALL. He would be the living counterpart of what we conceive to be the better genius of America.

He would stand above the raging storms of political dissension, the one distinguished figure in the country neither Democratic nor Republican, North or South, industry or labor, isolationist or internationalist, the single great and continuing emblem of our essential unity.

There is, however, no way to demonstrate that a King would serve us well, for Kings reach into the spiritual side of a people's existence, and these are immeasurable matters. But we should be able to see a little more clearly what a king does, and why Britain's King is so precious to Britain.

This has been the role of George Windsor. He has been a national symbol of permanence beyond the reach of contingency. The handing of the seals of office by the King to his ministers, the right to summon party leaders in time of governmental changes and political crises, the opening of a Parliamentary session, the signing of new laws (which he must sign without choice), the ancient panoply and heraldry rich in timelessness—all these things have been and will continue to be the form of British royal existence. But the substance is more subtle; it is an enduring essence of British life in all its manifestations, political, cultural, and private.

That is why it is more than George Windsor who lies ill at Buckingham Palace.

I WENT FISHING AND FOUND STEEL

(Mr. HOFFMAN of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOFFMAN of Michigan. Mr. Speaker, late Saturday afternoon I went fishing. I went up along the old canal that runs west out of the city, up to the point where the power canal starts off down the point and the river goes over the rocks—I know you are wondering

what I caught—I did not catch anything but I will tell you what I found. Up on a bank there are some 20 or more long steel beams—maybe I overestimate the number—they are at least a foot this way up and down, and in good condition. They are probably 20 feet long. Do you know that brought home to me the request I had last week from three schools in my district for just a little steel, one to put up schoolhouses, two for steel to complete school buildings. I do not know which department of the Government owns all this steel down along the river, but there it is and I wish some of you folks on the majority side could fix it so that we could get that steel to use in our schoolhouses and, by the way, river men tell me there is plenty more along the river bank farther up. I wonder how many tons are lying around just rusting because some executive department has forgotten it has it?

TIME'S VICIOUS ATTACK ON CONGRESS

(Mr. RANKIN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and to include extraneous matter.)

[Mr. RANKIN addressed the House. His remarks will appear hereafter in the Appendix.]

RECESS

The SPEAKER. Under authority previously granted the Chair declares the House in recess subject to the call of the Chair, that we may receive a distinguished visitor, His Excellency Ole Bjorn Kraft, Minister for Foreign Affairs of the Government of Denmark.

Accordingly (at 12 o'clock and 25 minutes p. m.) the House stood in recess subject to the call of the Chair.

RECEPTION OF HIS EXCELLENCY OLE BJORN KRAFT, MINISTER FOR FOREIGN AFFAIRS OF THE GOVERNMENT OF DENMARK

The SPEAKER. The Chair appoints as a Committee of Escort, the gentleman from Massachusetts, Mr. McCORMACK, and the gentleman from Indiana, Mr. HALLECK.

His Excellency Ole Bjorn Kraft, the Minister for Foreign Affairs of the Government of Denmark, was escorted into the Chamber by Mr. McCORMACK and Mr. HALLECK.

His Excellency the Minister for Foreign Affairs of the Government of Denmark stood in the well of the House and was presented to the Members individually by Mr. McCORMACK.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 12 o'clock and 38 minutes p. m.

EXPORT-IMPORT BANK OF WASHINGTON

Mr. LYLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 434 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself

into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2006) to increase the lending authority of the Export-Import Bank of Washington and to extend the period within which the bank may make loans. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. LYLE. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. Speaker, this resolution makes in order the consideration of the bill S. 2006. This is a bill extending the borrowing and lending authority of the Export-Import Bank from \$3,500,000,000 to \$4,500,000,000 and extending the life of the bank for 5 years.

The bill comes to the floor with the unanimous approval of the Committee on Banking and Currency and the unanimous approval of the Committee on Rules.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 12 minutes to the gentleman from Nebraska [Mr. BUFFETT].

(Mr. BUFFETT asked and was given permission to revise and extend his remarks.)

Mr. BUFFETT. Mr. Speaker, for some years Congress has been operating on the theory that, if it just funnels out enough American dollars to the four corners of the world, everything is going to come out all right.

Having unsuccessfully bucked that delusion since my first experience with it in UNRRA back in 1944, I am not unaware of the difficulty of persuading Congress to call a halt now.

Still, I am constrained to sound the alarm as vigorously as I can, for Senate bill 2006, making a billion-dollar increase in the spending authority of the Export-Import Bank, is another nail in the coffin of our free-enterprise system. The fact that organized opposition has disappeared is perhaps a sobering commentary on the state of affairs in Congress.

At the outset I cannot refrain from pointing out how this governmental credit apparatus fits into the global plans of the Communists.

Some Members talk a lot about socialism here, but when one of these domestic schemes is in the pattern of socialism, they say nothing about it.

Earl Browder, in his 1950 booklet titled "Keynes, Foster, and Marx," declares, on page 43:

There is nothing more necessary in the postwar development of foreign trade than precisely the intervention of the Government as organizer, director, and financier of the whole process.

The Export-Import Bank fits perfectly into the Browder pattern for state control of foreign trade.

This fact may be piously explained away, but it cannot be honestly explained away. The Export-Import Bank is a Government-owned bank. It operates with Government money. It is attuned to Government policy in making its loans; otherwise it would cease to exist. None can deny these simple statements of fact. This bank operates in the pattern of Marxism and socialism.

The Export-Import Bank has no source of funds except what it takes from the people by force—through taxation—or obtains by creating more debt. I wonder how many voters would approve of socialistic global lending with their savings if they had a chance to vote on it?

Of course, Export-Import Bank lending expands the money supply and is a source of inflation. Likewise, the subsequent spending of loan funds will generally be used to enlarge the demand for American products under priority or in short supply. This means that American taxpayers are forced to finance foreigners who frequently will get their orders filled ahead of the Americans. So the operation of this bank is one of the inflationary pressures.

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 181]

Aandahl	Hall,	Murphy
Abbitt	Leonard W.	Murray, Wis.
Adair	Hand	O'Toole
Allen, La.	Harden	Patterson
Baker	Harvey	Philbin
Barrett	Hays, Ark.	Pickett
Beall	Hébert	Potter
Beamer	Heffernan	Powell
Bentsen	Hillings	Rabaut
Boggs, La.	Holifield	Radwan
Boykin	Howell	Redden
Bray	Ikard	Reed, N. Y.
Breen	Irving	Regan
Brownson	Jackson, Calif.	Ribicoff
Buckley	James	Rivers
Burton	Javits	Rooney
Busbey	Jones,	Sadlak
Byrne, N. Y.	Hamilton C.	Scott, Hardie
Byrnes, Wis.	Kean	Shelley
Case	Kelley, Pa.	Sheppard
Celler	Kelly, N. Y.	Sittler
Chatham	Kennedy	Stanley
Chudoff	Keogh	Stockman
Clemente	Kersten, Wis.	Taylor
Cole, Kans.	King	Thomas
Crumpacker	Klein	Thornberry
Delaney	Kluczynski	Vall
Dingell	Latham	Vinson
Dollinger	Lucas	Walter
Donohue	McDonough	Watts
Donovan	McGrath	Weichel
Doyle	MacChrowicz	Werdel
Durham	Magee	Wharton
Fine	Meador	Whitaker
Fogarty	Miller, Calif.	Willis
Fulton	Miller, Md.	Wilson, Ind.
Garmatz	Morano	Wood, Ga.
Gore	Morrison	Yates
Gwinn	Morton	

The SPEAKER pro tempore. (Mr. LARCADE). On this roll call 310 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXPORT-IMPORT BANK OF WASHINGTON

Mr. BUFFETT. Mr. Speaker, I am aware that on paper the bank has made a good operating record. I have no comment to make on the operating record of this bank. But in reality that is not important. The record has been achieved while it has been coasting down the one-way street of inflation. Through various channels governmental hand-outs have gone forward to supply funds to these other countries to pay back interest or principal on these loans.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. BUFFETT. I yield.

Mr. MILLER of Nebraska. The gentleman is making a very fine speech. I am wondering if he knows how many agencies of Government under the New Deal regime have engaged in lending or giving away the people's money to foreign countries, and how much has been given away in the last year?

Mr. BUFFETT. As I recall several years ago the number of agencies that were giving away the American taxpayers' dollars and loaning American taxpayers abroad numbered 48 separate agencies. I cannot give the number today, but if there is some Member of the majority side or my side that is for this bill that can supply that information I should like to yield to him right now to give us the total number of governmental agencies that are currently loaning American money abroad or giving away American money abroad by grants and other methods.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. BUFFETT. I yield.

Mr. HOFFMAN of Michigan. I note that the distinguished chairman of the committee is here. Perhaps he can tell us how many of these agencies there are, because I am sure he has made a careful study of it. Perhaps a direct inquiry to him might get that information for us.

Mr. BUFFETT. I wonder if the gentleman from Kentucky [Mr. SPENCE] can help us out on this. Can the gentleman tell me the number of Federal agencies that are loaning or granting American funds abroad?

Mr. SPENCE. I do not know of any of them except the Export-Import Bank and the Economic Cooperation Administration.

Mr. BUFFETT. There is the Mutual Defense Organization and of course there is the International Bank.

Mr. SPENCE. The World Bank may be doing it, but that is not an entirely American organization.

Mr. BUFFETT. The gentleman thinks there are only those three or four? I hope he is right.

Mr. HOFFMAN of Michigan. In the last week three school districts in the Fourth Congressional District of Michigan have made applications for steel to go ahead with the construction of schoolhouses. In two instances they are partly constructed and the other one they are just starting. Would some of this money which would be given this bank be used by other governments to purchase steel?

Mr. BUFFETT. Undoubtedly those Governments can use some of it to purchase steel. They probably will. You will probably get this answer, that some of this money is going to create steel facilities somewhere else, so we will have more steel than we had before. Probably we will get it from these sources when steel is a drug on the market. But that answer is not a sound one, and I will show you why.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from Mississippi.

Mr. RANKIN. The courthouse at Macon, Miss., one of the county seats in the district which I have the honor to represent, was burned a short time ago. They have their records scattered all over town, wherever they could find small rooms to put them in. Now they are notified that they cannot get the necessary steel at the present time to proceed to rebuild the courthouse, the most important building in the county. I am wondering if this Export-Import Bank is, as the gentleman from Michigan said, to provide a channel for the shipping of this steel to foreign countries, instead of permitting our own people to use it for necessary purposes.

Mr. BUFFETT. As I said, I am confident a part of this money will be used for steel export. The explanation will be given that it is going to help create facilities elsewhere so we will get steel back.

The test of the operations of the Export-Import Bank or any bank is not its earnings or condition at the top of the boom. The most reckless speculator looks the smartest of all at the top of a boom.

So I suggest that in the case of this bank the important thing about the bank will be its condition at the other end of the cycle. That will be the real test.

For the purpose of this discussion, I am glad to assume that the bank is expertly operated from a financial standpoint, and that all its personnel are the ablest of men, completely competent and free from any taint of political motives or pressure.

You will get the explanation that the bank has made some defense loans. Such loans constitute as of this date less than 3 percent of the bank's operations, so that item is really inconsequential as a justification for this inflationary expansion of socialistic credit. I come to the decisive objections to this bank that are unchanged by any factors relating to its operation. I hope you will listen to these three points. This bank can make three types of loans:

First. A loan that is commercially sound. A loan that any bank in America which operates overseas would put on its books. To the extent that the Export-Import Bank is doing this, the Government is eliminating private enterprise in this operation. A government which professes faith in capitalism cannot honestly carry on such a practice.

Second. Unsound loans. This bank can deliberately make loans that are

obviously unsound. In this case, the Government is using taxpayers' funds for speculative purposes. I can conceive of no legitimate defense for such activity. When it makes loans of this class, the door is open wide to graft and corruption, besides the cheating of the taxpayers. If the latest disclosures concerning the Reconstruction Finance Corporation have not given us an object lesson on that, I do not know what is needed.

Now, I come to point No. 3.

The SPEAKER. The time of the gentleman has expired.

Mr. ELLSWORTH. Mr. Speaker, I yield the gentleman five additional minutes.

Mr. BUFFETT. Mr. Speaker, I come to the third class of loans. This bank can make political loans, that is, loans for which there is no claim of commercial soundness. Instead they are made to promote administration political or economic objectives in foreign nations. In this case, the Export-Import Bank would operate either as an instrument of economic warfare against other powers or as a vehicle for interference in the internal affairs of other nations. Such activity is historically recorded as one of the prime causes of international ill will and war.

I do not ask you to take my word for this, but listen to the committee report on the Bretton Woods agreement, which this House passed in 1945. Here is what the report of the committee said on this point:

Foreign loans may be arranged on a political rather than an economic basis. Such a policy would be most unfortunate for it could only mean a resumption of the use of power of politics in international economic relations.

Power politics is what this bank carries on when it makes political loans.

The Export-Import Bank does exactly what we pledged in the Bretton Woods agreement not to do. Is integrity a lost virtue?

Mr. Speaker, the increase of this spending marks another milestone down the hill toward collectivism and national bankruptcy. While the Congress is in the grip of this fiscal insanity—and while the American people are hopelessly confused on this subject by governmental propaganda and the inertia of my own party, this economic blood-letting will not be stopped.

Mr. CURTIS of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. BUFFETT. I yield.

Mr. CURTIS of Nebraska. The gentleman made reference to the investigation of the Reconstruction Finance Corporation. I believe he will find that the Congressional Reorganization Act imposed upon the various committees of this House, the duty and responsibility of investigating these agencies for which they legislate. Has your committee made any investigation comparable to what is going on with reference to the Reconstruction Finance Corporation or the Import-Export Bank?

Mr. BUFFETT. Not to my knowledge.

Mr. CURTIS of Nebraska. Is one contemplated?

Mr. BUFFETT. Not to my knowledge or information.

Mr. Speaker, you can sum this whole business up in this sentence. The Export-Import Bank is a global version of the Reconstruction Finance Corporation.

If you are for the Reconstruction Finance Corporation, and if you are for the things that are being done in the domestic field by the RFC—if you think that it is sound, if you think that is the kind of practice the Government should be in, then logically perhaps you can vote for another billion dollars for loan purposes for the Export-Import Bank.

But if you believe as I do, that Government lending is socialistic and inflationary and that loans made abroad should be made either through the World Bank or through our private banking systems, then I urge you to oppose this measure.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. BUFFETT. I yield.

Mr. RANKIN. Is the gentleman a member of the Committee on Banking and Currency?

Mr. BUFFETT. I am, yes, sir.

Mr. RANKIN. I wonder if the gentleman can tell me whether or not this money which is being used to subsidize Time magazine to carry on these vicious attacks on Congress, and ship the magazine to foreign countries, is coming through this channel and, if not, what channel that subsidy is coming through?

Mr. BUFFETT. I cannot give the gentleman that information. However, I am hopeful it is not coming through this channel.

The fact that this money-lending and foreign-hand-out mania has almost reached the unanimity of a mob scene does not lessen the responsibility to oppose it.

Hence, I am constrained to protest again this mad policy to sound again the warning and point out the perils of this course.

The fact that such warnings in the past have fallen on deaf ears in no way alters my duty to again sound the alarm.

Congress is aiding the administration in destroying the fiscal solvency on which freedom ultimately depends.

Such financial irresponsibility will ultimately exact a fearful price from the America I love.

Mr. ELLSWORTH. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Speaker, in last evening's Star on the financial page, there was a very interesting article to the effect that all the banks in the Fifth Federal Reserve district had cooperated very diligently in their efforts to restrict inflationary credit to help protect the savings of the people of this country. Mr. Hulbert L. Bisselle, senior vice president of the Riggs National Bank here in Washington had been in charge of the program for this area. That voluntary restrained issuing of credit to people has operated all over the United States by most of the banks, members of the Federal Reserve System as well as many of

the State banks. That was the authority which the Congress gave the President in the 1950 Defense Act, the Price Control Act, and it has spread across the country through most all the banks through the operation of the Federal Reserve Board to which the President delegated his power and the credit clearinghouses of the Nation, of which the members consist of the banks of this country. Personally, I think they have done a pretty good job considering the limitations of the whole voluntary program.

As the gentleman from Nebraska has so well pointed out—and I agree with most of his observations and therefore am opposed to the bill, and if there is a roll call I will go on record voting against it—this bill is inflationary; make no mistake about it. On page 5 of the committee report the President included in his budget message to Congress on January 15, 1951, a strong endorsement of the purposes of this action and repeated that endorsement in his message to the Congress on May 24, 1951, on the mutual security program, in these words—now these are the words of the President:

Loans by the Export-Import Bank will also continue to play an important role in our effort to assist the economic progress of friendly countries. In order that full use may be made of opportunities for loans and especially to develop strategic materials I recommend that the lending authority of the Export-Import Bank be increased by \$1,000,000,000. Not all of the increased lending authority, of course, will be used in the coming year.

Apparently the bill was reported almost unanimously by the Banking and Currency Committee of the House.

Here is another step in the inflationary progress of this country. I believe with all of the sincerity of my soul that nothing, nothing whatsoever will stop this Congress and future Congresses until we reach the end of the rope. I think the brake linings are burned out on our brakes and we are running this economic vehicle into an absolute economic washout simply because the present Members of this House and the other body will not set those brakes or reline those brakes; and I see no comfort whatsoever for the people of this country in the debt-bombs which past Congresses and this Congress are preparing for our people.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. HOFFMAN of Michigan. I want to say that I have long entertained the convictions to which the gentleman now gives expression. My colleague from Michigan [Mr. BENNETT] just called my attention to a situation which I understand he thinks exists, and it is that of the RFC lending money at 5 percent and the Export-Import Bank lending to other countries for three and a fraction. Is that true?

Mr. CRAWFORD. I think you will find that the Export-Import Bank has lent money at as low as 3½ or less; but, as the gentleman from Nebraska has pointed out, this corporation can make almost any kind of loan it wants to make; there is no fooling about that;

they can go out here and make loans to uphold a certain political party in other countries if they want to at the expense of the American taxpayer.

We have had so much fiddling and faddling going on all over the country that nobody in this Government, in my opinion, knows the true story; and I start right at the White House and go all the way down the line. We have lost control of this vehicle; in my opinion there is no question about that. You can drive along the road and read the billboards and see it if you are smart enough to figure it out. The banks of this country are restricting credit to our own people, yet here through the Export-Import Bank we are releasing a billion dollars of it.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. ELLSWORTH. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. HOFFMAN of Michigan. Does not this bank make loans to other countries and they use that money in competition with us here in our own markets in America?

Mr. CRAWFORD. This bank extends dollar credit, and those dollars are not worth anything anywhere in the world for the buying of goods except in the United States where the dollar exchange is used. They might hold the dollars up for a while before spending them here, but I think they will spend them as quickly as possible; and there is where the inflationary pressure comes in in this country to work against the best interests of the citizens of this country in their own market places.

Mr. SPENCE. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. I yield to the chairman of the committee.

Mr. SPENCE. The bank gives private enterprise every opportunity to make these loans and steps in only where private enterprise, private banking, either does not want to make the loan or refuses to make the loan. They have extended every opportunity and encouragement to private industry. They are not competing with private industry.

Mr. CRAWFORD. The point that I made that brought up the gentleman's question was that through the White House all the banks of the country were encouraged to enter into voluntary agreements exempt from the Sherman antitrust law to restrict inflationary credit, yet we come along here with the Export-Import Bank and put out a billion dollars more of it.

Mr. SPENCE. This bank has the best record of any governmental institution that I know of.

Mr. CRAWFORD. I am not talking about the record of the Bank; I am talking about the record of Congress. I am talking about the record of the Congress that authorizes the Bank to do these things; I am not condemning the Bank in any way whatsoever. We do the job.

Mr. LYLE. Mr. Speaker, I yield 1 minute to the gentleman from Tennessee [Mr. SUTTON].

Mr. SUTTON. Mr. Speaker, I rise merely to refute the statement of the gentleman from Michigan [Mr. CRAWFORD] and to state that here is one Member of Congress who goes along with this plan, who does not believe that we are killing the American people or injuring the American Government. I still have faith in the American people and in this form of government that we have.

Mr. Speaker, our democracy has proven itself throughout the years. Constructive criticism is always welcome, but when we deal in generalities we all know that we get nowhere.

Every Member of this body recalls the economic condition of this country when the Democratic Party came into power in 1932. The voters of America have condoned the Democratic Party, with one exception, for the last 20 years, and that was the Eightieth Congress. They were quick to realize their mistake in electing that Eightieth Congress and immediately restored the Democrats in office.

It is true that because of emergencies we have been forced to appropriate huge appropriations and make large expenditures in the interest of democracy. But, on the other hand, we must remember that the over-all national income has been doubled and tripled. Today we have full employment, sixty-odd-million people drawing pay checks, and every business in the country is flourishing.

I fear that my good friend, the gentleman from Michigan is playing politics and smarting under the collar because of the failures of his party in being restored to power. I, for one, am perfectly willing to leave elections to the voters of this country. The voters know when conditions are good and when they are satisfied. It has been my pleasure to serve in this body for two terms, and I state without hesitation that we have men of great ability on both sides of the aisle.

Under no circumstances would I admit that the Members of the Congress of the United States are not able men and are trying to reflect the wishes of those who have honored them by their election as Representatives here. Neither would I accuse them of trying to spend this country into bankruptcy, as I know that every Member of this body is interested in the welfare of this Nation, the future generations, and those yet unborn.

I have great respect for my good friend and colleague from Michigan, but no doubt there are times when he lets his better judgment run away with him. Unquestionably the voters who have honored him as their representative, realize his ability and on numerous occasions I have observed that he has gone along with our program and know that he realizes that our defense program is necessary and hence we appropriate large amounts to take care of our defense programs.

I realize the need for economy in Government and want to help save our tax-

payers every possible penny. But not at the cost of our freedom and peace in America.

The Export-Import Bank which is under discussion here today is very necessary because of world conditions. It is true that many agencies of the Government can be abolished when we are again on an even keel. But until some of the world dictators are further subdued, I submit to you, Mr. Speaker, that in my opinion the program that we are pursuing must be continued.

Criticism is always constructive, but when it is all said and done every Member of this body has one motive in mind, and that is to protect the welfare of American. If this protection requires large expenditures, it is my opinion that there is not a taxpayer in this country that regrets the payment of taxes required for our safety and welfare.

I know that we all agree that now is the time for more cooperation and less internal strife, and I believe that upon reflection my good friend and colleague from Michigan will agree that he was temporarily alarmed and that in the end all will be well.

Mr. LYLE. Mr. Speaker, I have no further requests for time.

Mr. ELLSWORTH. Mr. Speaker, I merely wish to say on behalf of the minority members of the Committee on Rules that this question now before us is on the rule. As far as I know there is no great opposition to adopting the rule providing for the consideration of this bill.

The Export-Import Bank was created originally by Executive order; then it was made an independent agency by act of Congress. It is now up to the Congress to pass upon the grant of further lending power to the bank.

Mr. Speaker, I have no further requests for time.

Mr. LYLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2006) to increase the lending authority of Export-Import Bank of Washington and to extend the period within which the bank may make loans.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill S. 2006, with Mr. HARRIS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. SPENCE. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the philosopher, Francis Bacon, said:

Suspicious among thoughts are like bats among birds; they ever fly by twilight.

It seems that the suspicions which the gentlemen have against this corporation are certain to fly by twilight. Sunlight would demonstrate them to be

unfounded. There is no basis in fact on which to predicate the statements that have been made against the Export-Import Bank. It has a record of achievement and of usefulness that is unparalleled by any comparable corporation in America. It was created in 1934 and it has cost the United States Government nothing. It has made a net profit of \$254,000,000. It has had a lending capacity and a borrowing capacity of three and one-half billion dollars. It has asked for an extension of that borrowing capacity of \$1,000,000,000 and also the authority to lend a similar amount.

This bill also extends the life of this corporation from June 30, 1953, to June 30, 1958.

What has this corporation done? I do not think the President had a finer or more constructive idea than his point 4, the development of undeveloped areas of the world. The world is growing smaller every year. The barriers that once separated nations no longer separate them, the oceans and the mountain ranges no longer are barriers against the force of other nations.

We are vitally concerned in the uplifting of the people of all the earth because they are at our doorstep. This corporation has engaged in a business that no private enterprise wants. The big banks here are not equipped to make these international loans. They are not made for political purposes by the Export-Import Bank. They are sound bankable loans, and this is evidenced by the fact that the corporation has made the money it has.

What have they done? They have lent money to other nations and private enterprises to develop their resources. They have lent them money for power plants, for roads and bridges, and they have done a great deal to increase the production of strategic critical materials of the world.

No nation is self-sufficient in the complicated life of today. No nation produces all the materials it needs. We are dependent upon other nations for many things. We are dependent for tin, manganese, tungsten, and partially for iron ore and many other minerals and metals from other nations. This organization has lent money to other nations to develop those resources in order to make them more available to us.

These activities will have the tendency to raise the standard of the lives of the people we have helped and give them new opportunities to work out their destinies. Discontent brings war and hatred.

The criticisms that are made about this organization have no basis in fact. This organization may well be proud of what it has done. It can be proud of the good feeling that has been engendered in nations which have been helped by these loans.

Shakespeare said:

Neither a borrower, nor a lender be;
For loan oft loses both itself and friend;
And borrowing dulls the edge of husbandry.

That does not apply to lending money to people who are able to pay it back, for we have lost neither money nor friends.

Nothing engenders a better feeling, nothing inspires more confidence and friendship than to lend people money in order that they may develop their resources and make their countries more self-sufficient.

The President had a great idea in his point 4 program. He saw the advantages of the development of the undeveloped areas and in a large sense much of this money goes for that very purpose. We have lent a great deal of it to South America, our neighbor to the south, who produces many of the things we cannot produce, many of the minerals we cannot produce, and they have paid back these loans. When they come again and ask for loans I think what they have done in the past justifies our lending to them again.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Nebraska.

Mr. BUFFETT. Can the gentleman tell the committee how much we have lent to Poland through that bank?

Mr. SPENCE. I have not the facts available. I do not think it has lent any money to any country behind the iron curtain. The fact they have paid these loans will indicate we have lent to people who have an interest in our country and who are trying to develop their own country. I know they have left no money to the satellites of Russia—at least the chairman told me that, I am sure. The character of the loans and the repayment of loans indicate the good judgment that has been used in making these loans.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Iowa.

Mr. GROSS. I believe this bank has loaned some \$75,000,000 to that great paragon of democracy, Peron of Argentina. Is that not correct?

Mr. SPENCE. I think maybe they have loaned some money down there. I am not sure about that.

Where is the argument about the cost to the Government, about the invasion of private enterprise, about the socialistic tendencies of this great organization, when it has put \$254,000,000 of net profit into the Treasury of the United States? It is the agent of the Treasury of the United States.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Texas.

Mr. PATMAN. Is it not true that the losses are less than 1 cent to every \$100 loaned?

Mr. SPENCE. Yes. The losses have been less than one one-hundredth of 1 percent of the amount they have loaned. I should like to find a bank anywhere that has a better record than that, either domestic or international.

Mr. McVEY. Mr. Chairman will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Illinois.

Mr. McVEY. I am very much impressed by the statement that this bank

has made a profit of \$254,000,000. That is quite a large sum.

Mr. SPENCE. That is a large sum.

Mr. McVEY. Have we taken into consideration the cost of the salaries, the personnel expenses, and so forth, in connection with the operation of the bank?

Mr. SPENCE. That was net profit, as I understand it. The net profit was \$254,000,000, which was paid into the Treasury.

In the light of these facts, in the light of the accomplishment of this bank, where is the justification for the attack that is made on it?

This bill has been approved by the President of the United States, by the Secretary of State, by the Secretary of the Treasury, by the Secretary of Commerce, by the Secretary of Agriculture, and by the Administrator of the ECA. I hope this bill will be passed by the majority which the faithful and able administration and the result achieved by the corporation deserve.

Mr. WOLCOTT. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, I think the Export-Import Bank of Washington has made a record that all the other lending agencies of the Government could emulate.

The Export-Import Bank was originally set up with a capitalization of \$800,000,000. We increased its capital and borrowings to \$3,500,000,000. This bill is to increase that by another \$1,000,000,000.

The Export-Import Bank gets its original capital of \$1,000,000,000 from the Treasury, and it is authorized to make loans up to $3\frac{1}{2}$ times that, a total of \$3,500,000,000. They may issue their notes, bonds, and debentures for $2\frac{1}{2}$ times the capital, or \$2,500,000,000.

On the capital loan from the Treasury and on their borrowing from the Treasury on notes, bonds, and debentures, they have to pay to the Treasury a rate of interest set by the Secretary of the Treasury. It is a current average rate of interest paid by other borrowers from the Treasury, that is, 2 percent, so they are paying the Treasury of the United States 2 percent on about \$2,300,000,000. There is something over \$600,000,000 of committed funds which have not been actually loaned, making a total of actual loans and commitments of \$3,000,500,000. They have left in authority \$499,500,000.

During the last fiscal year the Export-Import Bank of Washington showed net earnings of \$51,600,000. I say net earnings because we must have in mind that the Export-Import Bank of Washington has paid all of its operating costs, all of its cost of administration, out of earnings. Out of this \$51,600,000 of earnings during the last fiscal year they declared a dividend and paid to their principal stockholder, the Treasury of the United States, \$20,000,000. That was in addition to the 2 percent which it has been paying as interest on its capital and business loans.

In addition to paying 2 percent interest to the Treasury on its capital and borrowings, and in addition to paying to the Treasury \$20,000,000 as a dividend, the Export-Import Bank of Wash-

ington has accumulated against possible losses, a total earned surplus of \$234,800,000. At the present time, out of this total of about \$3,000,000,000 which has been loaned and committed, there is a total of about \$226,000 in default. Against that some payments have been made since June 30, when that figure prevailed.

As to the loans in arrears: Out of \$3,000,000,000 of commitments and loans, there is a total in arrears as of June 30, 1951, of \$193,868.48. I do not think that any other bank in the United States, doing a domestic or foreign business, or making loans for the purpose, as is primarily the purpose of the Export-Import Bank of Washington, of moving American goods abroad, can equal that record. Notwithstanding my antipathy to a great many things which have been done in the field of foreign affairs, I believe in giving credit where credit is due, and I believe that this method of giving foreign relief is a sensible method. It is proven that had we done in the ECA the things which were suggested to be done—and I take some little pride in the fact that I made the recommendation in person to the President of the United States that an organization comparable to the Export-Import Bank of Washington be set up to give aid under the Marshall plan because of the success of the Export-Import Bank in that field.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. GROSS. Of the \$3,000,000,000, does the gentleman have any break down of the amount of money that has been loaned, which American financial interests refused to make?

Mr. WOLCOTT. Yes, I think you can have a reasonable assurance that this bank does not compete with any of the banks, mostly New York and Chicago banks, which are doing an international banking business. They are perfectly willing and content to let this bank operate because they do not consider it is running in competition with them. As a matter of fact, they have participated in some of these loans, and are continuing to participate in some of these loans. Do not forget that inasmuch as these loans are made in American dollars, naturally, there is a movement of American goods in world commerce as a result of loans. So when you build a railroad in South America by loans made by the Export-Import Bank, those loans are made in dollars and the country which is the recipient of the loan or the company in South America which is the recipient of the loan, spends those dollars eventually in America, perhaps by way of Europe or by way of Asia. But, finally, there must be a movement of American goods not to the prejudice, but to the benefit of American labor, American agriculture, American industry and American business generally.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. JONAS. I am interested to know, after the gentleman made the statement that the bank is privileged to make

loans to countries for the purposes of exploiting undeveloped areas, what security does the bank take to secure its loans and whether the security is in the form of mortgage notes or whatever other collateral it may get?

Mr. WOLCOTT. Yes, the bank takes all the security it can get. If you will read the report you will find in the appendix of the report, many of these loans are underwritten by the central banks of the Government where the loan is made. The credit of the central banks is created in many instances, as it is here, by the country in which the central bank operates. The country in which the central bank operates almost always guarantees the obligations of the central bank so you have the good faith and credit of the country into which the loan passes as a further security for the loan.

Mr. JONAS. I thank the gentleman.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. DONDERO. May I take it from what the gentleman says that these loans, which are not accepted by American banks, are not refused because the security is not good, but more because of the character of the loans? Is that the reason why our banks locally do not make these loans?

Mr. WOLCOTT. That is it. And I presume another question enters into it. If a loan is made for the purpose of building a railroad in the Republic of Turkey, as has been done, if a New York bank doing an international business were to make the loan, it would be rather difficult for them to get the central bank of Turkey, or the Turkish Government to underwrite that loan and guarantee it. Here they are dealing with the agencies of the Federal Government, a sovereign government; so it is only natural that a foreign government to which a loan is made by an agency of the American Government established for the purpose of maintaining the equilibrium of exchange between those countries, and good will, and the political status in its present relationship would be more than anxious that nothing would happen to that loan that would disturb that good relationship. That influence does not prevail when a private bank in New York or Chicago makes a loan.

Mr. DONDERO. In other words, it is a type of loan that would not lend itself to the ordinary business of the local banks of the country.

Mr. WOLCOTT. That is right.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. GROSS. What actually is the difference between the character and risk in these loans? What is the difference?

Mr. WOLCOTT. Now you are talking about risks. I think that the fact that after 18 years of operation the losses of this bank are one one-hundredth of 1 percent is a complete answer to the gentleman's question.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. RANKIN. This would mean a further inflation of the currency would it not, through the Federal Reserve System?

Mr. WOLCOTT. No.

Mr. RANKIN. I say it will.

Mr. WOLCOTT. And I say the gentleman is mistaken.

Mr. RANKIN. This is an inflation of currency.

Mr. WOLCOTT. I can see where there may be inflation caused by making foreign loans, unsecured foreign loans, but there is no inflation caused by these loans, because it adds to the production of goods sufficient to offset inflationary tendencies.

Mr. RANKIN. In foreign countries?

Mr. WOLCOTT. In foreign countries who buy goods produced in America, which completely offsets it.

Mr. RANKIN. That is exactly where the inflation is coming in, and that is why the Committee on Banking and Currency ought to go into it and bring in a bill to stabilize the currency, before this Federal Reserve System wrecks the country.

Mr. WOLCOTT. I wish that some of the other committees of this Congress were as cognizant of the influence which inflation has upon the very form of the American Government as is the Banking and Currency Committee.

Mr. RANKIN. The Banking and Currency Committee has the right to bring in a bill to stabilize the currency, but they have not done it.

Mr. SABATH. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. SABATH. I really do not know whether my information is correct, but I am informed that this will help tremendously the cotton growers and those who have large quantities of cotton on hand, because they cannot obtain the money through regular channels and they are obliged to turn to the Export-Import Bank for loans to enable them to carry their stocks of cotton. What is there to that?

Mr. WOLCOTT. I believe the Export-Import Bank has proved its worth as the means of moving a lot of American goods abroad that would not otherwise be sold. I do not know whether Members of this House realize it or not, but do you know what is happening in Western Europe? Do you know that in China we have lost a virgin market that could have been supplied had we had a sound foreign policy in respect to China? Do you know that in Western Europe today Western Europe is producing 150 percent of normal? Do you know that if it were not for such aid as we are giving through the Export-Import Bank to the movement of American goods abroad, and if it were not for our defense program today in America, we would have a condition similar to that which confronted this Congress immediately prior to the Korean war, a depression? The only thing which is keeping this country up today is the movement of American goods abroad into steadily declining markets. That and our defense program now are the sources whereby our economy is maintained at a seemingly high level.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. SPRINGER. I should like to ask the gentleman a question which relates to the reference made as to good will or the relationship between our country and these loans; the point is, are these loans conditioned on trading with America? Or are they free to choose the market in which they will buy?

Mr. WOLCOTT. Almost all of the loan contracts provide that the money shall be spent in the purchase of American goods; and I might say to the gentleman from Illinois that when this was set up, we set it up in the Committee on Banking and Currency and I was very fearful that because the Secretary of State was on this board that the Export-Import Bank would be used to further the dollar diplomacy of the United States; so throughout the years we have been very anxious about that, very anxious to determine the influence which the State Department has had on the making of these loans. Our studies indicate that there had been no loans made which had been pressured by the State Department.

I felt that when we set up the National Advisory Council and put the Secretary of State on it, and we set up this Advisory Board of the Export-Import Bank made up of the same personnel, that that was as close as the State Department should get to this picture. But I will have to admit, and I shall admit, that there is no evidence whatsoever that the Export-Import Bank has ever been used in any instance under pressure of the State Department to further our foreign policy.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. GROSS. The gentleman spoke a moment ago of the fine recent experience over the past 18 years. Is it not a fact that the bulk of these loans have been made in very recent years? And is it not further true that back of that recent experience is the interplay of ECA funds in foreign countries to which this money has been loaned, and that there is not any real basis upon which to judge the ability of these countries to repay?

Mr. WOLCOTT. It might be true; I think you could conjecture that; or you could conjecture otherwise, just as you see the picture.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. BUFFETT. Will the gentleman tell the committee what category of loan could be made or would be made by the International Bank if this fund were set up?

Mr. WOLCOTT. Yes. The International Bank for Reconstruction and Development can make loans in any currency. The American Director of the International Bank, determines or can veto a loan made in American dollars. Loans made by the International Bank are made as I understand under a practice if not under the law to the central banks of the country to which the loan is made. I think that there are no loans made by the International Bank to pri-

vate individuals or corporations. There may be some loans made to utilities which are owned and operated by central governments, the risk of which is underwritten by the central government. This bank may make loans directly to industry, railroads, utilities, and so forth for the purpose of producing, or for the purpose of moving American goods abroad. If you will look at appendix (c) of the report and note the beneficiaries of these loans—I will not read them off—you will find that they are agriculture, industry, business. The loans are for the movement of crops, for the movement of machinery, agricultural machinery and heavy goods; they are for the movement of locomotives, they are for earth-moving equipment and capital goods, and raw materials all the way through, American goods moving abroad as part of less than 10 percent of the production of the United States which moves into foreign trade normally. We export normally only 7 percent of the goods which we produce in America. So perhaps the controlling point is that we should be careful not to shut off any of our sales abroad at this particular time until we have stabilized following the defense effort.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself one additional minute.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Kansas.

Mr. REES of Kansas. I want to clear up one more thing, and this may be repetition. Do I understand that the private banks or the banks of this country, generally speaking, including the larger banks, are in accord with this legislation?

Mr. WOLCOTT. Yes. Right through the years they have been in favor of the program.

Mr. REES of Kansas. They do not regard it as being in competition with private banking?

Mr. WOLCOTT. We never have had any opposition from the bankers that the Export-Import Bank of Washington has competed with them to the point where any loans were made that would otherwise be made by private industry.

Mr. REES of Kansas. Why are they asking for the extra \$1,000,000,000? Who is asking for that?

Mr. WOLCOTT. They have commitments and loans of \$3,000,000,000 under their authorization of \$3,500,000,000. They have left an authorization of \$499,500,000, which they think, and which the committee thought was getting pretty close to the bottom of the barrel.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Georgia [Mr. BROWN].

(Mr. BROWN of Georgia asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Georgia. Mr. Chairman, the Export-Import Bank of Washington was established in February 1934. During its more than 17 years of existence, the bank, which is the foreign lending agency of the United States Government, has established an enviable

record. It has actually disbursed under loan agreements approximately \$3,400,000,000 and of this amount approximately \$1,100,000,000 has been repaid. The ratio of recorded losses to funds actually put out by the bank is at the present time less than one one-hundredth of 1 percent. Over the period of its existence the bank has made money. The Government owns all of its authorized and issued capital stock which presently amounts to \$1,000,000,000. As of June 30, 1951, the bank had accumulated an earned surplus of \$254,800,000.

I should like to emphasize that the bank is a lending agency. It does not make grants or gifts and has never had or never sought to have such authority. It makes loans to facilitate exports and imports by the United States with foreign countries. Its loans have promoted both the political and economic interests of the United States and at the same time have contributed to the economic growth and development of foreign countries. Loans have been made to foreign countries, nationals of foreign countries, and American firms operating subsidiaries in foreign countries. The record of almost negligible losses on loans made by the bank clearly indicates that loans are not made without a realistic evaluation of the ability of the foreign country, the foreign economy, and the particular foreign industry concerned, to repay them.

General export trade credits extended by the bank, assist in the financing of American products exported to foreign countries. Manufactured products embody the skilled labor of American engineers, designers, mechanics and factory workers. Export credits have also materially assisted the sale abroad of American agricultural commodities such as wheat, tobacco and cotton. Export trade development credits extended in the past are now making important contributions to the flow to the United States of strategic and critical materials needed in the preparedness program. I would like to illustrate the way such development credits work by calling your attention to a specific case in which the bank assisted the financing of a project, namely, the Liberia Mining Co., Ltd.

In February 1949 the bank sent representatives to Liberia in company with officials of the Liberia Mining Co., Ltd., and of the Republic Steel Co., a domestic steel producer interested in new sources of high-grade iron ore, to investigate a proposed iron-ore development project at Bomi Hills. At that time about \$1,000,000 had already been invested by American interests in this mining project, which involved the development of a mine containing an estimated 20,000,000 tons of high-grade iron ore, the building of a 45-mile railroad from the mine to the port of Monrovia, and the construction of ore-handling and storage facilities at the port. In April of that year the bank authorized a \$4,000,000 credit to the Liberia Mining Co., Ltd., to be repayable in semiannual installments over a 10-year period beginning December 31, 1951, and to bear interest at 4¾ percent per annum. In addition to the \$1,000,000 of private capital already invested by

American interests, the Republic Steel Co. agreed to invest the necessary remaining \$3,000,000 needed for completion of the project and executed a long-term ore-purchase agreement for a substantial portion of the total annual output estimated at a minimum of 1,000,000 tons of ore per year commencing in 1951. The financing was thus a joint undertaking of private capital and the Export-Import Bank in approximately equal proportions. The first shipload of very high-grade iron ore—67 percent—from the Bomi Hills mines arrived in the harbor of Baltimore in June of this year for reduction at the Republic Steel Co. plant.

With respect to the bank's financing of cotton exports, I am sure the Members from the cotton producing States will be interested in knowing that the bank over the last few years has financed export credits for the sale abroad of over 2,000,000 bales of American cotton. Cotton credits have been extended in the past for the export of cotton to a number of foreign countries.

The Secretary of Agriculture, in asking the farmers to plant more acres in cotton, left them under the impression that they would obtain at least 40 cents a pound for their cotton. Three or four months ago, cotton was selling for 45½ cents per pound. Today cotton is selling around 34 cents, a reduction in price of more than 25 percent. Many cotton farmers will lose money on this year's crop as the growers are producing more than 17,000,000 bales. Something must be done to help the market for these cotton growers or else next year we will be in need of more cotton than will be produced. The Export-Import Bank, in my opinion, is the agency that can do most to aid the farmer in obtaining a fair price for his cotton by extending loans to foreign nations and importers to purchase a part of the surplus cotton of this year's crop.

When Mr. Gaston, Chairman of the Board of Directors of the Export-Import Bank, recently appeared before our committee he was asked about the activities of the bank in financing cotton exports. He recalled to the committee that a few years back the bank had set up a special fund of \$100,000,000 for the financing of short-term contract sales of cotton to foreign countries and stated:

We have recently announced that we are prepared to do the same thing again and we are now negotiating some cotton sales.

The cotton-export financing done by the bank has been on a business basis and the disbursements on past cotton operations have been repaid. In some cases the bank has made the credits available itself. At other times it has participated with a group of commercial banks in extending a line of credit for cotton exports. For instance in early 1948 the bank participated with a group of commercial banks in extending a revolving line of credit totaling \$60,000,000 in favor of the Occupied Japan Export-Import Revolving Fund to finance purchase of cotton in the United States. The bank agreed to participate in this credit to an amount up to \$29,000,000.

The present borrowing authority of the bank is limited to advances from the Treasury in an amount not exceeding \$2,500,000,000 outstanding at any one time—two and one-half times the authorized stock of \$1,000,000,000. Its lending authority is limited to \$3,500,000,000 of loans and commitments outstanding at any one time. As of June 30, 1951, loans outstanding and committed amounted to slightly over \$3,000,000,000, leaving uncommitted lending authority of slightly less than \$500,000,000. The bill before us today would increase the bank's borrowing and lending authority by \$1,000,000,000 and would also extend the life of the bank 5 years to June 30, 1958. I think you will agree with me that the Export-Import Bank is performing a real service for our country and in a very creditable manner. I think you will also agree that the bank should be granted the increases provided in this bill so that it will be in a position to continue its lending programs and still have an adequate reserve for emergency purposes. I hope we will have prompt action in passing this measure.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. McKINNON], but may I say first that I made a mistake in my answer to one of my colleagues as to whether or not any loans had been made to Poland. A loan was made to Poland before Poland went behind the iron curtain, and I understand the loan is not in arrears at the present time.

[Mr. McKINNON addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska [Mr. BUFFETT].

(Mr. BUFFETT asked and was given permission to revise and extend his remarks.)

Mr. BUFFETT. Mr. Chairman, there has been a lot of socialism preached here this afternoon but none of the people who have been preaching that socialism will identify themselves as socialists. That is one of the great tragedies of our time, that we have more and more socialism brought to us in the name of fighting socialism and brought to us in the name of free enterprise.

I asked a while ago whether or not loans had been made to Poland. The chairman of the committee did not know. I report to you now that \$43,000,000 of the American taxpayers' money has been loaned to Poland and was used to buy coal cars and locomotives, which Russia must find very useful at the present moment.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from Kentucky.

Mr. SPENCE. I corrected my answer afterwards. I found that we had made loans to Poland but they were made before it went under the iron curtain. I understand those loans are not in arrears.

Mr. BUFFETT. I am glad the gentleman made that correction. I point out to you the \$43,000,000 loaned to Poland

did not keep them from going behind the iron curtain.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from Iowa.

Mr. GROSS. If that was used for the purchase of locomotives and other rail equipment using large amounts of steel, we were simply further depleting our own national resources in this country. Is that not true?

Mr. BUFFETT. Yes, sir; the gentleman is exactly right. Of course, they make a point of the fact that commercial banks of this country have not made these loans. I sat in the committee when one of the great commercial bankers of New York, came down and testified in favor of the Export-Import Bank. He had a good reason for it. His big depositors were going to have a very, very profitable business out of these Government loans, out of the fact that the Government is making these unsound, speculative loans where the profits would roll back into the coffers of the bank through the businesses they were interested in.

On the other hand, if a sound loan is in sight, the banks cannot very well make them because the rate at which the Export-Import Bank is lending money is 3 percent and $3\frac{1}{2}$ percent, which for speculative foreign credits is not satisfactory.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield.

Mr. KEATING. Does the record, and I ask this without any knowledge on it, and will be glad to be informed, bear out the contention that loans which have been made are actually unsound, and have not paid out?

Mr. BUFFETT. The record to date looks very pretty. The loans in default are infinitesimal. I pointed out earlier that it is no test of a bank's operation of whether or not it is well run when you are at the top of a boom. We are in a boom. At the top of a boom, the fellow who operates his business in the most speculative manner looks the best. He is taking the biggest risks, and he naturally is making the biggest profits. It is the position when the boom is over and when the bloom is off the rose that will be the test of these operations.

At some stage, the RFC, I imagine, looked just as good, and this is a global RFC—make no mistake about it. It is a venture in socialized credit on a worldwide basis. It perverts the principle of free enterprise, and it denies the principle that in a capitalistic society business should be privately financed.

In that fashion, it is contributing directly to the spreading net of socialism and totalitarianism in our world.

The issue is clear. Either you are in favor of more socialism and more socialization of credit, and more Government interference and intervention into private enterprise, or you are in favor of the Government staying in its legitimate field. For my part, I want to stop socializing America.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield.

Mr. GROSS. Does not the gentleman agree with me that there is a real dependence upon the continuance of the ECA hand-outs to help repay these loans to this country? In other words, they would fall over on their faces, if we do not continue to ladle out billions of dollars to foreign countries through the so-called Marshall plan aid.

Mr. BUFFETT. The gentleman is correct. As long as you funnel out money to your creditors, either by loans or grants or aid of various kinds, it is certain that those creditors are going to make payments on past loans and past debts.

Mr. McKINNON. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield.

Mr. McKINNON. I think the gentleman is a reasonable man, and is willing to be guided by the facts and by actual figures. May I call the gentleman's attention to the fact that in Latin America the bank has loaned to the countries in that area \$1,600,000,000, and of that amount some \$44,000,000 is outstanding. In other words, nearly three-fourths of the total amount loaned to South American countries over the past 17 years has been repaid, and no ECA or Marshall plan funds have been going to South America to help to repay those loans.

Mr. BUFFETT. Is the gentleman reporting that they have made no additional loans down there during that period?

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. Hays].

Mr. HAYS of Ohio. Mr. Chairman, I am a little bit surprised at the opposition to this measure, and especially at the gentleman from Nebraska. When the hearings on this were held, he was present at the beginning, and I did not hear him ask any questions or raise any objections. As a matter of fact, there was not a dissenting vote against this in committee. But, when he talks about socialism and so on, he is getting a little bit far afield, I think, because all he has to do is read the report, and he will see that some of the companies to which these funds have been loaned are some of the greatest advocates we have for the free enterprise system. I would like to point out also to you that we are in a perilous situation so far as steel is concerned, and unless the Government, through the Export-Import Bank, or some other source, accelerates the development of iron ore production throughout the world, we may be caught in a very short situation because anybody who knows anything about the steel business whatever, or who can read the newspapers, knows that the rich Mesabi ore range is about exhausted, and we have to get it from some place else or we are going to be in a position of being crippled so far as steel production is concerned. In this modern age of modern warfare, steel is the basis of any army's operation or of any government's economy. I just do not think

we can afford to be caught in a situation like that.

Mr. BUFFETT. Will the gentleman yield?

Mr. HAYS of Ohio. I yield.

Mr. BUFFETT. This agency deals in bank credit, is that correct?

Mr. HAYS of Ohio. That is right.

Mr. BUFFETT. Is it true or is it not true that all bank credit in the Soviet Union is controlled by the government?

Mr. HAYS of Ohio. What does the Soviet Union have to do with it? We are not lending any money to the Soviet Union, or to any bank in the Soviet Union, or to any company that operates in the Soviet Union, or to anybody that the Soviet Union is guaranteeing a loan for.

No, I am not going to yield further to the gentleman. I do not want you to stand up there and try to becloud the issue. What you are trying to do is make out that we are helping our enemies, when the very purpose of this act is to encourage our friends and to make them strong so that we can combat the people that we may have to fight against.

Mr. BUFFETT. Mr. Chairman, I demand that those words be taken down.

The CHAIRMAN. The gentleman from Nebraska asks that the words be taken down.

Mr. SABATH. What words, Mr. Chairman?

The CHAIRMAN. The Clerk will report them.

Mr. SABATH. The words of the gentleman from Nebraska or whose?

The CHAIRMAN. The Clerk will report the words that the gentleman from Nebraska has requested be taken down.

The Clerk read as follows:

I do not want you to stand up there and try to becloud the issue. What you are trying to do is to make out that we are helping our enemies when the very purpose of this act is to encourage our friends and to make them strong so that we can combat the people that we may have to fight against.

The CHAIRMAN. The Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HARRIS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill S. 2006, to increase the lending authority of Export-Import Bank of Washington and to extend the period within which the bank may make loans, certain words used in debate were objected to and on request were taken down and read at the Clerk's desk, and he herewith reported the same to the House.

The SPEAKER. The Clerk will report the words objected to.

The Clerk read as follows:

I do not want you to stand up there and try to becloud the issue. What you are trying to do is to make out that we are helping our enemies when the very purpose of this act is to encourage our friends and to make them strong so that we can combat the people that we may have to fight against.

The SPEAKER. The Chair does not see anything in those words that should be offensive to anybody.

The Committee will resume its sitting. The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Ohio [Mr. Hays] has one-half minute remaining.

Mr. HAYS of Ohio. Mr. Chairman, I again repeat that the purposes of this act are to help us, to encourage our friends all over the world, and to help our own industries, to implement their raw-material supply in order to strengthen us and put us in a good position so that we can face whatever may come.

In closing, let me say that if there are any words that have been used in this debate that are offensive they are the words of those who tried to bring into the debate the fact that any of this money was going to iron-curtain countries. There has not been any money go to iron-curtain countries; there has not been any loan go to a country even such as Poland, for instance, since it has been under the domination of the iron curtain.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. GAMBLE. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. EDWIN ARTHUR HALL].

Mr. EDWIN ARTHUR HALL. Mr. Chairman, the closest I ever came to being an international banker was as a bank messenger in one of the local banks in my home town. I remember how good it felt to carry great loads of stocks and bonds from one institution to another, and I remember eavesdropping one day into some correspondence which was perhaps of a confidential nature. The letter referred to a default on some of the international bonds which had been floated by J. P. Morgan & Co. I would like to think the day is gone when private investors are nicked the way they were 25 years ago in those situations.

The correspondence related to some central European country, Montenegro, Serbia, or some other central European country, where a municipal bond issue for a waterworks had failed, where the public officials or the banker in question had absconded because of a revolution precipitated in that country; in other words, the private investment had gone by the board and that particular bond issue was lost simply because of the instability of the government in question.

I presume the bill we are considering today extending the lending power of the Export-Import Bank will eliminate the danger of private capital being jeopardized as it was in the particular instance to which I referred. It does, however, give us food for thought in that the future may or may not be as uncertain as it was 25 years ago when foreign governments loans floated by J. P. Morgan and some of the other private investment houses went sour when weak governments tottered and fell to revolutionaries and were swept aside, and with them countless millions of the capital of private investors. I suppose the same could be true with the disposition of public funds in the future. I simply raise this point at this time, not in criticism of the Export-Import Bank, but to show the possibility of certain recurrences of

the disastrous situation which those investors of private capital faced so many years ago. Of course, nowadays they are public funds and we do not have to worry so much about them, if we are to follow the popular method of throwing dollars to the winds.

The CHAIRMAN. If there are no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the Export-Import Bank Act of 1945, as amended (59 Stat. 526, 666; 61 Stat. 130), is hereby amended in the following particulars:

(a) By deleting from section 6 the words "two and one-half" and substituting in lieu thereof the words "three and one-half"; and

(b) By deleting from section 7 the words "three and one-half" and substituting in lieu thereof the words "four and one-half"; and

(c) By deleting from section 8 the date "June 30, 1953" and substituting in lieu thereof the date "June 30, 1958."

Mr. CRAWFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I simply want to clear the record up a little bit. In my previous remarks I did not in any way, directly or indirectly, charge any socialism in connection with this operation. I did not criticize the bank directly or indirectly. I did not ask for a liquidation of the bank.

What did I do? I simply charged that the extension of credit as here presented is inflationary at this time. That was the burden of my argument. The increased lending capacity of \$1,000,000,000 at this time is inflationary. That was my charge.

When was this bank organized? About 18 years ago. What were the conditions then? Great unemployment, so-called surpluses of agricultural products stacked everywhere you could think of, low prices, low wages, low national income. The concept of the bank was to try to rectify some of these great difficulties 18 years ago. Of course it has had a great financial record. Anybody who has studied the record ought to know that.

What is your situation now? Full employment, a shortage of labor. Look at the effort we put in here to get raw labor to meet our own requirements. High prices, with prices going higher because the Congress and the administration insist on continually doing things which are inflationary from an economic standpoint.

The argument has been made that what we should do in a period of inflation is to extend credit for the purpose of expanding productive facilities. Such action promotes more inflation. The gentleman from California made that argument. Why were the banks of this country forced into a voluntary proposition, and when I say "forced" I mean pushed into it by the administration? Not to give credit for expansion purposes, because that was inflationary. You cannot ride two horses going in opposite direction at the same time.

I am simply getting this in the RECORD for the purpose of having it in the RECORD. I know what you are going to do with this bill. You are going to pass

with probably no more than three or four votes against it.

Mr. McKINNON. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from California.

Mr. McKINNON. May I point out that in the gentleman's remarks about expansion and self limitation of credit, there were no credit limitations imposed upon increasing the productive capacity for our defense effort. We have lent many millions of dollars in that regard, and this is along the same line.

Mr. CRAWFORD. May I make a personal reference. I sit on a large bank board that does some pretty big business in this country with some large enterprises, as big as they make them, and I know something about what happens on credit and how the wheels go around, even if I am not a member of the gentleman's committee.

Now, last year you had about 9,000,000 bales of cotton. It looks like you will have between seventeen and eighteen million bales this year. I can understand why there is a billion dollars of additional credit asked for here. You are going to have some other large crops perhaps if the farmers of this country continue to work the way they are, because these things just happen to come forth. As the gentleman from Michigan [Mr. Wolcott] pointed out, the original concept was to finance the movement of goods out of the United States across international boundary lines to other parts of the world because of low prices, unemployment, low national income.

How much higher do you want to inflate these prices? I am telling you you are voting for inflation. I am not surprised at that. But I have my own personal record to take care of, and I simply put this in for the purpose of the RECORD. I am not changing any votes today whatsoever.

Mr. RANKIN. Mr. Chairman, I move to strike out the last two words.

(Mr. RANKIN asked and was given permission to revise and extend his remarks.)

[Mr. RANKIN addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. SIEMINSKI. Mr. Chairman, I am in support of the additional appropriation for the Export-Import Bank. It has a magnificent record of performance; excellent profits minuscule losses during the most turbulent times, perhaps, in the history of man, political, economic, military, and psychological, 1934-1951; truly a period of international unrest and unreliability of national regimes.

We are in a period of localized hostilities and intensive rearmament. The timing and practical value of private foreign investment is more formidable than it was in the state of "cold war" which preceded hostilities in Korea.

Coordinating machinery, primarily between United States official lending institutions and ultimately between them and those of other countries, is now urgently required. Where there is an im-

portant political advantage in the export of capital to particular countries—as there was in the case of the Dawes and Young loans to Germany and the League loans to central Europe—it is not enough for us to recommend such loans to the public; we must provide or guarantee them. The Export-Import Bank does this for the taxpayer in its transactions.

During committee hearings last spring, I asked Mr. Gaston, the distinguished president of the Export-Import Bank, an off the record question which I should like now to put on the record in the form of a suggestion: It would help to prepare the way for genuine private investment if, in suitable cases, the bank guaranteed private ventures against noncommercial risks such as confiscation and convertibility instead of lending direct from its own funds. I asked Mr. Gaston to consider a security clause in loan contracts and I believe his answer was that diplomatic channels are available for such operations.

I recognize that some areas offer a specially favorable field of operations for development in south and south-east Asia as well as in South America and the Philippines. Further, the United States could increase private capital available for investment by the amendment of State laws restricting the investment of insurance funds, and by the extension of tax relief for American enterprise abroad. Considerable investments are being made by United States oil companies in oil-producing countries, and by industries interested in new mineral resources. This is by far the largest class of genuine foreign investment.

In closing, I trust the Export-Import Bank, in history, will be looked upon as a great stabilizer. It is now discouraging any such action as happened to Peru between the two world wars as well as to Germany and Austria when the Credit Anstalt failed. Peru asked a private house for a \$15,000,000 loan. The investment house said Peru needed \$50,000,000, not fifteen. Peru was forced to borrow the higher figure. A neat interest rate or commission was paid to the firm, some \$15,000,000. Peru received \$35,000,000. She defaulted. Today, Peru is blacklisted for private credit, thanks to private enterprise. So it goes. Good luck Mr. Gaston, your bank has a fine record and deserves the additional funds requested in this bill.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HARRIS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 2006) to increase the lending authority of Export-Import Bank of Washington and to extend the period within which the bank may make loans, pursuant to House Resolution 434, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the third reading of the bill.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. BUFFETT), there were—ayes 88, noes 24.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 259, nays 69, not voting, 102, as follows:

[Roll No. 182]

YEAS—259

Abernethy	Dondero	Larcade
Adair	Dorn	Lesinski
Addonizio	Doughton	Lind
Allen, Calif.	Durham	Lowre
Anderson, Calif.	Eaton	Lyle
Andrews	Eberharter	McConnell
Anfuso	Elliott	McCormack
Angell	Ellsworth	McCulloch
Arends	Engle	McDonough
Armstrong	Evins	McGregor
Aspinall	Fallon	McGuire
Auchincloss	Felghan	McKinnon
Ayres	Fenton	McMillan
Bailey	Fernandez	McMullen
Bakewell	Fisher	Mack, Wash.
Barden	Flood	Madden
Bates, Ky.	Forand	Mahon
Bates, Mass.	Ford	Mansfield
Battle	Forrester	Marshall
Beamer	Frazier	Meador
Beckworth	Fugate	Merrrow
Bender	Furcolo	Miller, N. Y.
Bennett, Fla.	Gamble	Mills
Betts	Gary	Mitchell
Blackney	Gathings	Morano
Blatnik	Golden	Morgan
Boggs, Del.	Goodwin	Morris
Bolling	Graham	Moulder
Bolton	Granahan	Multer
Bosone	Grant	Mumma
Bow	Green	Murdock
Bray	Greenwood	Murray, Tenn.
Brooks	Gregory	Nelson
Brown, Ga.	Hagen	Nicholson
Brown, Ohio	Hale	Norrell
Brownson	Hall	O'Brien, Ill.
Bryson	Leonard W.	O'Brien, Mich.
Buchanan	Halleck	O'Neill
Burleson	Harden	Ostertag
Burnside	Hardy	Patman
Bush	Harris	Patten
Butler	Harrison, Va.	Perkins
Byrne, N. Y.	Harvey	Poage
Byrnes, Wis.	Havener	Polk
Camp	Hays, Ark.	Poulson
Canfield	Hays, Ohio	Preston
Cannon	Hedrick	Price
Carlyle	Heller	Prouty
Carnahan	Heselton	Rains
Celler	Hess	Ramsay
Chelf	Hinshaw	Reams
Chenoweth	Holmes	Rhodes
Cole, N. Y.	Hope	Richards
Colmer	Horan	Riley
Combs	Hunter	Roberts
Cooley	Jackson, Wash.	Robeson
Cooper	Jarman	Rodino
Corbett	Johnson	Rogers, Colo.
Coudert	Jonas	Rogers, Fla.
Cox	Jones, Ala.	Rogers, Mass.
Crosser	Jones, Mo.	Rogers, Tex.
Crumpacker	Jones,	Rooney
Curtis, Mo.	Hamilton C.	Roosevelt
Curtis, Nebr.	Jones,	Sabath
Davis, Ga.	Woodrow W.	St. George
Davis, Tenn.	Judd	Sasscer
Davis, Wis.	Karsten, Mo.	Saylor
Dawson	Kearney	Scott,
Deane	Keating	Hugh D., Jr.
DeGraffenried	Kee	Seely-Brown
Dempsey	Kerr	Sheehan
Denny	Kilburn	Shelley
Denton	Kilday	Sheppard
Devereux	Kirwan	Short
D'Ewart	Lane	Sieminski
Doyle	Lantaff	Sikes

Smith, Miss.	Tollefson	Wier
Smith, Va.	Trimble	Wigglesworth
Spence	Van Zandt	Williams, Miss.
Springer	Velde	Wilson, Tex.
Staggers	Vorys	Winstead
Steed	Watts	Withrow
Sutton	Welch	Wolcott
Tackett	Wheeler	Wolverton
Talle	Whitaker	Yates
Teague	Whitten	Yorty
Thomas	Wickersham	Zablocki
Thompson, Tex.	Widnall	

NAYS—69

Albert	George	Reed, N. Y.
Allen, Ill.	Gross	Rees, Kans.
Andersen,	Hall,	Riehlman
H. Carl	Edwin Arthur	Schwabe
Andresen,	Harrison, Wyo.	Sclvrner
August H.	Hoeven	Scudder
Baring	Hoffman, Ill.	Secrest
Belcher	Hoffman, Mich.	Shafer
Bennett, Mich.	Hull	Simpson, Ill.
Berry	Jenison	Simpson, Pa.
Bishop	Jenkins	Smith, Kans.
Bramblett	Jensen	Smith, Wis.
Brehm	Kearns	Stefan
Budge	LeCompte	Taber
Buffett	McVey	Thompson,
Burdick	Martin, Iowa	Mich.
Chipherfield	Mason	Vail
Church	Miller, Nebr.	Van Pelt
Clevenger	Norblad	Vursell
Cotton	O'Hara	Werdel
Crawford	O'Konski	Williams, N. Y.
Cunningham	Phillips	Wood, Idaho
Dague	Rankin	Woodruff
Elston	Reece, Tenn.	
Gavin	Reed, Ill.	

NOT VOTING—102

Aandahl	Hart	Morrison
Abblitt	Hébert	Morton
Allen, La.	Heffernan	Murphy
Baker	Herlong	Murray, Wis.
Barrett	Herter	O'Toole
Beall	Hill	Passman
Bentsen	Hillings	Patterson
Boggs, La.	Holifield	Philbin
Bonner	Howell	Pickett
Boykin	Ikard	Potter
Breen	Irving	Powell
Buckley	Jackson, Calif.	Priest
Burton	James	Quinn
Busbey	Javits	Rabaut
Case	Kean	Radwan
Chatham	Kelley, Pa.	Redden
Chudoff	Kelly, N. Y.	Regan
Clemente	Kennedy	Ribicoff
Cole, Kans.	Keogh	Rivers
Delaney	Kersten, Wis.	Sadlak
Dingell	King	Scott, Hardie
Dollinger	Klein	Sittler
Donohue	Kluczynski	Stanley
Donovan	Lanham	Stigler
Doyle	Latham	Stockman
Fine	Lucas	Taylor
Fogarty	McCarthy	Thornberry
Fulton	McGrath	Vinson
Garmatz	Machrowicz	Walter
Gordon	Mack, Ill.	Weichel
Gore	Magee	Wharton
Granger	Martin, Mass.	Willis
Gwinn	Miller, Calif.	Wilson, Ind.
Hand	Miller, Md.	Wood, Ga.

So the bill was passed.

The Clerk announced the following pairs:

Mr. Keogh with Mr. Busbey.
 Mr. Murphy with Mr. Miller of Maryland.
 Mr. Hébert with Mr. Beall.
 Mr. Morrison with Mr. Case.
 Mr. Chatham with Mr. Morton.
 Mr. Boggs of Louisiana with Mr. Patterson.
 Mrs. Kelly of New York with Mr. Potter.
 Mr. Chudoff with Mr. Gwinn.
 Mr. Lanham with Mr. Kean.
 Mr. Vinson with Mr. Latham.
 Mr. King with Mr. Hardie Scott.
 Mr. Passman with Mr. Hand.
 Mr. O'Toole with Mr. Radwan.
 Mr. Quinn with Mr. Taylor.
 Mr. Clemente with Mr. Herter.
 Mr. Delaney with Mr. Hill.
 Mr. Buckley with Mr. Weichel.
 Mr. Hart with Mr. Wharton.
 Mr. Herlong with Mr. James.
 Mr. Holifield with Mr. Kersten of Wisconsin.

Mr. Klein with Mr. Baker.
Mr. Magee with Mr. Hillings.
Mr. Miller of California with Mr. Sadlak.
Mr. Doyle with Mr. Sittler.
Mr. Dollinger with Mr. Jackson of California.

Mr. Garmatz with Mr. Wilson of Indiana.
Mr. Rabaut with Mr. Stockman.
Mr. Walter with Mr. Fulton.
Mr. Granger with Mr. Cole of Kansas.
Mr. Heffernan with Mr. Aandahl.
Mr. McGrath with Mr. Murray of Wisconsin.

Mr. Fine with Mr. Javits.

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS PROGRAM FOR REMAINDER OF WEEK

Mr. MCCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of this week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. ARENDS. Reserving the right to object, Mr. Speaker, and of course I shall not object, can the majority leader tell us what the program will be for tomorrow and Thursday?

Mr. MCCORMACK. There are two bills on the notice programmed for today, H. R. 39 and H. R. 1628. It is my understanding that they will be called up and that there is no opposition to them. Assuming that they both pass, there will be no legislative business tomorrow. On Thursday the legislative business will be House Resolution 82, expressing the sense of the House with relation to the unification of Ireland.

Mr. REES of Kansas. Further reserving the right to object, Mr. Speaker, what is the program for Friday and Saturday?

Mr. MCCORMACK. I have none now. If there is no further program, and I see none now, on Thursday I will ask that the House adjourn over until Monday.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERISHABLE AGRICULTURAL COMMODITIES

Mr. SABATH. Mr. Speaker, I call up House Resolution 429 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 39) to encourage the improvement

and development of marketing facilities for handling perishable agricultural commodities. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, this resolution makes in order the bill H. R. 39, reported by the Committee on Agriculture. The purpose of the bill is to improve the marketing of perishable agricultural commodities and reduce the price spread between the producer and consumer by encouraging the establishment of modern, efficient, wholesale marketing facilities in the large consuming areas of the United States. It would do this by authorizing the Secretary of Agriculture to insure, for a stipulated fee, loans by private lending institutions for the construction of such facilities which meet standards set out in the bill.

Extensive hearings were held by the Committee on Agriculture and the bill received the almost unanimous approval of marketing officials, organizations of wholesale and retail food dealers, farm organizations, consumer representatives, and housewives' organizations throughout the country. It will provide the means of improving the quality, wholesomeness, variety, and nutritive value of fresh fruits, vegetables, and other perishable food products available to consumers and will reduce the cost of these commodities.

A similar bill was passed during the last Congress. I believe this legislation is in the right direction because in many of the large centers of our country from 20 to 30 percent of fruits and vegetables are lost or spoiled because of lack of proper transportation. It costs a tremendous sum of money to transport these commodities from farms to the city markets. It is believed that by providing these facilities the fruits and vegetables can be transported with advantage to the grower as well as the consumer.

I do not think there will be any opposition to the bill nor any opposition to the rule and I do not wish to keep you any longer than absolutely necessary. The rule provides for 1 hour of general debate, and will be read for amendment under the 5-minute rule after the general debate is concluded.

I now yield 30 minutes to my colleague, the gentleman from Oregon [Mr. ELLSWORTH].

(Mr. SABATH asked and was given permission to revise and extend his remarks.)

Mr. ELLSWORTH. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I am opposed to this rule. I am opposed to the consideration of this legislation at the present time. In deal-

ing with the merits of the legislation, I would like to explain that the purpose of the bill is good, but it is a new venture on the part of the Government in authorizing guaranties and funds for the construction of vast terminal wholesale marketing facilities in the principal cities of our country. At the beginning of this Congress, I took the position in the Committee on Agriculture that I would oppose any new authorization, however worthy the project may be. A year ago, in the last Congress, this bill was approved by the House. The situation at that time was entirely different from what it is today because at the present time, or since last June, a year ago, our country has been at war. We are appropriating possibly \$30,000,000 in this session of the Congress which must be collected from the people in the form of taxes. This bill, as I have stated, provides for guaranteed loans to the extent of \$100,000,000 so that terminal facilities, or wholesale marketing facilities, may be built in the country. These are insured loans. It is an obligation on the part of the Government, in the event that the loans are not repaid with interest. It further provides that the agencies or persons in the respective communities want to get this Federal guaranty, or want to occupy the facilities, are supposed to pay rent for the stalls or space that they occupy in the sale of fresh fruits and vegetables and dairy products and other perishable items. If they do not pay these rents, and if they default in the payment of the loan, it means that the Federal Government will have to take over the loan and operate the facility, if it cannot sell the facility.

This is no time to encourage building of expensive buildings and terminal facilities in any field because the price of construction is up twice as much at least during this inflationary war period as it was at the time we reported the bill and passed it in the House a little over a year ago.

Mr. SEELY-BROWN. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. SEELY-BROWN. Do you feel that we have available the material which would be needed for the construction of these facilities? I refer to materials such as steel and other items of that nature. Are they available at the present time for this purpose?

Mr. AUGUST H. ANDRESEN. Every day the gentleman from Connecticut, as well as other Members of the Congress, as well as myself, are calling on the NPA to get steel and copper, and a good many other items, and they turn us down. Here we have a new proposition to come in to replace existing facilities. I will admit they are necessary in some areas. But, to get the materials to put up these tremendous buildings, which may be 800 feet or 1,000 feet or 2,000 feet long, with expensive stalls and equipment for the merchants to occupy, seems to me to be the height of nonsense and not in the interest of the war effort.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

made it was a classic example of how not to win friends and influence people. A couple of quotes from statements of representatives from other countries in response to this speech will give you some idea of the general reaction.

A worker's representative from Brazil said: "As the worker's delegate of a new country which is doing its best to set an example to others, I say that we cannot agree with the statements made here by the United States employers' delegate, who is not in any respect representative of the democratic people of our sister nation. His remarks are beyond doubt inspired by the same state of mind which has been manifested in other statements which endeavored to deny all the rights of the workers.

"It is not by such an attitude that we shall uphold the principles of social justice.

"I was very much struck by the remarks made by the United States employers' delegate. I was also very much disappointed. I was disappointed because the United States is the standard-bearer of democracy and of social justice."

The Government delegate from Mexico said:

"I wish to say to the United States employers' delegate that we do not want his advice. We have not asked for it because our agricultural reform is evolving without foreign interference."

Workers' representatives in the ILO have always tried to cooperate with both the Government and employer delegates as much as we can without compromising our principles. In this critical period we have considered it desirable to present a united front to the rest of the world and to keep external signs of friction to a minimum. There is no inherent reason why this should not be possible. Surely the economic interests of American employers lie in the direction of improved labor standards in backward areas of the world. They stand to lose as much as we do when workers are paid starvation wages, worked long hours, and otherwise exploited in other countries—for it means that they are faced with the competition of foreign employers who can undercut them in the market places of the world because of this advantage of cheap labor. And surely American employers have as much to lose by the spread of communism among the underprivileged masses of the world.

At such a time as this, when the world trembles under the heavy tread of communism on the march, can they think of no more important a contribution to the cause of democracy than silly double talk about the workers' inherent right not to exercise his right of association? Can they seriously believe that by frustrating the work of the ILO they can strike a blow for free enterprise? Communism advances through the gaps left by the failure of free societies to live up to their social and economic responsibilities. The irresponsibility lately displayed by employer representatives to the ILO must be counted as an asset to the side of those who seek to overthrow freedom where it still lives today.

In more normal times perhaps we could laugh this off as just another phase of the old pattern of NAM and chamber of commerce tactics and policies as we have known them for decades past. But today, every such demonstration no matter how far removed from the actualities of American economic life, is seized upon by the enemies of freedom, and used as a weapon against us. The words and acts of those who—no matter how falsely—purport to represent the views and interests of American employers as a whole in these conclaves of world opinion have delivered such weapons into the hands of the agents and missionaries of world communism.

I am under no illusion that anything which we might say or do here can persuade the NAM and the chamber of commerce to abandon the course of reaction in world affairs. Nor do I consider it desirable for responsible groups in American society to air their internal differences before the gaze of a confused and troubled world.

But to remain silent would be to allow a vocal minority in this country to do a more thorough job of misrepresenting the United States in the eyes of the world than the Communists could ever hope to do. We cannot permit their tactics and methods—reflecting as they do upon the motives and purposes of this country in its foreign and domestic policies—to pass without repudiation.

It is important that we should recognize these employer tactics for what they are. If the ILO is not to become a travesty on its original design, they must not be permitted to go unchallenged. On this depends the larger question of whether the ILO is to become a powerful instrument of progress under freedom, or a mere impotent, empty shell.

If the aims of an enlightened American foreign policy are to be realized, and if our ideals of freedom, democracy, and social justice are to ultimately prevail throughout the world, the International Labor Organization must continue to receive the full support of the people of the United States.

Increasing the Capital Stock of the Export-Import Bank Is Another Step Down the Dangerous Road of Inflation

SPEECH
OF

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 25, 1951

The House in Committee of the Whole House on the State of the Union had under consideration the bill (S. 2006) to increase the lending authority of Export-Import Bank of Washington and to extend the period within which the bank may make loans.

Mr. RANKIN. Mr. Chairman, the danger of this legislation is that it increases the inflation of the currency. There is where our trouble lies. It is nonsense to try to hold the price of commodities down and let the inflation of the currency continue to run wild.

Every great economist on earth will tell you that prices in a free economy are governed by two things: First, the volume of the Nation's currency; and, second, the velocity of its circulation. It is absolutely useless to try to prevent inflation by fixing commodity prices without attempting to stabilize the currency within a given limit.

The gentleman from New York [Mr. REED] expressed it the other day when he said that it was like trying to fix the price of a bushel of corn or wheat by law and then letting the other fellow fix the size of the bushel.

The Committee on Banking and Currency should bring out a bill to stabilize the currency within a given limit. Until you do that you will never check inflation. Lenin, the Russian Communist leader, said 30 years ago that the way to destroy the Government of the United States was to bankrupt it.

This program of inflation of the currency is dragging this country in that direction.

Let me show you where we are. I have the circulation statement of United States money dated April 30, 1951. At that time we had \$27,278,000,000 in circulation of which \$22,966,000,000 were Federal Reserve notes. Mark what I tell you, this thing will be financed through the Federal Reserve System with Federal Reserve notes for which the American people will be held responsible.

In 1928 I helped to investigate the cotton market in New York. We wrung the hands of a certain group of manipulators from the cotton market, cleared out some inferior cotton that had been slipped by the classes and stored in the Bayway Terminal. As a result of that investigation and the elimination of that undesirable cotton, the market went back up to its normal value of 22 cents a pound. At that time instead of having \$27,278,000,000 in circulation as we have now, we had only \$4,744,000,000 in circulation, of which amount \$1,588,000,000 was in Federal Reserve notes. As I said a moment ago, we now have \$22,968,000,000 of Federal Reserve notes in circulation.

Today, when we have almost six times as much money in circulation as we had then, raw cotton is down to around 35 cents a pound. Yet the administration insists on fixing the price of cotton far below the world market, holding it down and impoverishing the cotton farmers to that extent, while the Committee on Banking and Currency proposes to thus expand the currency and increase the dangers of runaway inflation without giving the cotton farmers any relief.

If the committee would bring out a bill to stabilize the currency within a given limit, and take the hands of the Federal Government off the necks of the American farmers, the American people would know what to depend on and would soon adjust themselves to the volume of the currency, stabilize prices, and permit farm commodities, and especially cotton, to rise to the value justified by the volume of the currency and the velocity of its circulation. But if you keep on expanding the currency and attempting to regiment the American people, you are likely to take this country on down the road to financial destruction.

One gentleman spoke a while ago about what has been done for the farmers. I was here last year when Mr. DiSalle, whose real name is di Salvo, and our Secretary of Agriculture from Pikes Peak, Mr. Brannan, put an embargo on cotton and robbed the cotton farmers of this country of \$100 a bale on every bale of cotton they raised.

I called up the other day and found that cotton was \$85 a bale higher in Brazil than it was in the United States—in Georgia, Mississippi, Tennessee, Texas, Louisiana, and all the other Southern States.

This is one of the most dangerous things this Congress could do. Instead of bringing out a bill here to provide a springboard for the international bankers to continue to make money, at our expense, the committee should bring out a bill to stabilize the currency within a

given limit. Until you do that, and Congress passes such a measure, this Government is not safe from devastating inflation, or disastrous deflation.

These Federal Reserve bankers could deflate the currency at any time and plunge us into the same kind of a depression they did in 1921. They could plunge us into the same catastrophe they did in 1928 and 1929. Yet here you give them the right to expand—to do what? To further inflate the currency.

Talk about these bankers going to South America to secure iron ore. That is ridiculous. The United States Steel Corp. has already bought an interest in the iron ore in Venezuela. You do not have to send money down there for that purpose. If you will provide the proper method of bringing in this material, by speeding up the construction of the short missing link in our internal waterway system, known as the Tennessee-Tombigbee inland waterway, which will provide a slack-water route from the Gulf to Pittsburgh and to the Great Lakes, the steel companies will finance themselves and bring in their own materials.

But if you keep on with this inflation program it may mean our destruction—as Lenin predicted.

As I pointed out a while ago, a courthouse burned at Macon, in the district I have the honor to represent, and the people there are told that they cannot even get steel to rebuild it until 1952—or later.

Today our people are being regimented as they never have been regimented before. Unless it is stopped, unless we get back to a sound financial policy, your children and your grandchildren for generations to come may not be permitted to even own their own homes.

I am opposing this measure because I think it is dangerous. I think it is leading on and on and on down that road of devaluation of the American dollar that may ultimately result in wrecking this Republic.

I hope this bill is defeated.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I think the gentleman could point out that during the last 12 months we have lost approximately \$2,000,000,000 of gold, which is some more of your inflation.

Mr. RANKIN. Yes.

Mr. CRAWFORD. Why are we shipping out the gold? Because of the policies we are following. Otherwise that gold would be coming this way. In addition, can the gentleman tell us how much circulation has increased in, say the last 8 weeks?

Mr. RANKIN. From the 31st of March to the 30th of April it increased \$160,000,000, in just 30 days. I have the record here.

I do not even have to consult the members of the Committee on Banking and Currency. I tell you, here is the danger to the future welfare of this Republic.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Our Second Line of Defense

EXTENSION OF REMARKS

OF

HON. CLINTON D. MCKINNON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 26, 1951

Mr. MCKINNON. Mr. Speaker, the Pacific coast tuna industry does an annual business of more than \$100,000,000 and employs more than 23,000 people. Frozen tuna imports are rocketing to an all-time high, dealing a knockout blow to a fleet of tuna clippers that may well be called our second line of defense in the Pacific. The following story of their conversion to war service in the early days of World War II was recently broadcast over radio station KSDO in San Diego, by Mr. D. W. Wells, a San Diego tuna fisherman, who is one of the unsung heroes in the battle of the Pacific:

One factor which I believe has been grossly overlooked in this matter is that of national defense. One might inquire—what has the production of tuna to do with national defense other than the fact that tuna is a highly nutritive food product? Let's review some very recent history.

On December 7, 1941, a large part of the San Diego tuna fleet was at sea engaged in fishing operations. Within a period of a few days, wheels were set in motion which, within a minimum period of time, gave the Panama Canal a protective floating picket line. This at a time when our seaward defenses of the canal were acknowledged to be highly inadequate. Almost overnight, tuna boats were converted to naval vessels and were pressed into service.

Many of the boats which were fishing in the vicinity of Panama at the time were ordered directly to Panama and were placed into service without even the formality of returning to their home port.

Shortly thereafter, the Navy saw fit to accept the offer of service which was tendered by the owners and operators of the fleet, and we witnessed here in San Diego a remarkable transformation. The bulk of the boats in the tuna fleet suddenly changed color from white to gray, and plaids and gabardines were discarded by a large portion of the men of the fleet in favor of Navy blue. I was privileged to be among them and can attest to the fact that this all took place in a period of 5 days and on the sixth day these boats and their crews were bound for Panama to reinforce the defenses there.

Later these same vessels were pressed into service transporting foodstuffs in the South Pacific. What other vessels were more suited to the specialized job of carrying refrigerated cargoes than these? I think it should be noted as a matter of record that the Navy thought so highly of these tuna boats that it saw fit to construct 26 additional boats which were carbon copies of the tuna clippers. Since VJ-day these vessels, known as YP's, have been purchased from the Navy for use as fishing boats here.

Today some 20 of the YP's, plus 150 other large clippers, lie idle at their piers unable to compete with foreign competition. Within a few months, if corrective measures are not taken, the present critical condition will evolve into a state of economic chaos and not too long after that will be well along toward a condition of complete collapse.

Should these events take place, as they certainly threaten to now, the United States

will lose a 3,000-mile cordon guarding the western approaches to this hemisphere. During normal periods of operation, the more than 200 large vessels of the tuna fleet, operating in offshore waters from San Diego to Peru, constitute a bulwark to our western frontiers which costs the Government and the taxpayer not one penny. The nature of the tuna fish is such that the heaviest concentration of vessels centers around one of our most valuable and vulnerable assets—the Panama Canal.

Are we to sit back idly and permit this highly effective, tax-free asset to our national defenses to be scuttled? Are we to sanction the elimination from our defense facilities a potential force of over 200 auxiliary naval vessels? I for one say "No" and trust that all those within the hearing of my voice will join me in communicating these facts to their Congressmen.

Maritime Administration Appropriation

EXTENSION OF REMARKS

OF

HON. THOMAS J. LANE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 27, 1951

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include a letter I have received from Mr. S. P. Jason, one of the commissioners of the Massachusetts Maritime Academy, concerning monthly allowance formerly paid to cadet-midshipmen attending the State maritime academies:

FAIRHAVEN, MASS., September 20, 1951.

HON. THOMAS J. LANE,
House Office Building,
Washington, D. C.

DEAR SIR: As a commissioner of the Massachusetts Maritime Academy I am calling your attention to the unfairness of the Independent Officers Appropriation Act, Public Law 137, passed by the Eighty-second Congress.

As you know this act contained the appropriation for the maintenance of the Massachusetts Maritime Academy and as it has been passed it has eliminated the monthly allowance formerly paid to cadet-midshipmen attending this school. Because I am acquainted with these pupils, I realize what the consequences of this will be. It will mean that boys from our families of limited means will be unable to complete their courses and will be deprived of the opportunity of becoming officers in the United States Merchant Marine, Coast Guard, and Naval Reserve. Many parents now find it necessary to borrow on their savings to get the \$600 for the entrance fee and without the monthly allowance they will find it financially impossible to keep their boys in the academy. We have created a stumbling block in the path of deserving boys of our Commonwealth and Nation and by so doing deprived our country of the services of these fine boys. Graduates of this academy have established an enviable record for distinguished service in maritime and naval history throughout the world. It is short-sighted economy to scuttle the opportunity of boys of moderate means at a time when technically trained manpower is playing so vital a part in our national defense and well-being.

Two weeks ago I had the privilege to attend the graduation of the class of 1951 in

Public Law 158 - 82d Congress
Chapter 445 - 1st Session
S. 2006

AN ACT

To increase the lending authority of Export-Import Bank of Washington and to extend the period within which the bank may make loans.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Export-Import Bank Act of 1945, as amended (59 Stat. 526, 666; 61 Stat. 130), is hereby amended in the following particulars:

(a) By deleting from section 6 the words "two and one-half" and substituting in lieu thereof the words "three and one-half"; and

(b) By deleting from section 7 the words "three and one-half" and substituting in lieu thereof the words "four and one-half"; and

(c) By deleting from section 8 the date "June 30, 1953" and substituting in lieu thereof the date "June 30, 1958".

Approved October 3, 1951.

